POST COVID-19 MERGER AND ACQUISITIONS AND CHANGING ENTREPRENEURSHIP PRACTICES IN GULF COOPERATION COUNCIL (GCC) BANKS

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ABSTRACT

This paper makes a comprehensive inspection of the rising Mergers and Acquisitions (M&As) cases being declared in the Gulf Cooperation Council (GCC) Banks in the aftermath of the COVID-19 pandemic. The GCC is acknowledged as a dynamic player in the Middle East and North Africa (MENA), especially in the financial sector. Since the GCC Banks had occasionally been leveraging from M&A, this post-pandemic period was also confronted with the same approach. GCC banks utilized the existing M&A theories whereas each bank adapted a customized merger plan to achieve the targeted operational and financial objectives. The GCC region also endured declining prices in oil trade. This paper intends to explore the key benefits and challenges the GCC banking sector has been facing since the recent pandemic and sheds some light on a few practical examples by investigating the main rationales and insights for such M&As. Moreover, the paper highlights key benefits and challenges for bank M&As and paves the way for future studies in this field. This paper also attempts to investigate the key implications of some M&As that took place in the GCC during the past few years and assess the impact of these M&As on the overall banking industry. It was concluded that M&A was not solely caused by the latest challenges brought by the COVID-19 outbreak, but these factors have contributed to accelerating the bank's need to consolidate their resources, in addition to other specific motives on the operating conditions to the specific bank including the country overall risk. The COVID-19 pandemic has led to the growth of M&As and digital transformation as a risk management technique.

Keywords: Merger and Acquisitions, COVID-19, GCC Banks, JEL Codes: O16, O19, O35, P16, And Q01

INTRODUCTION

The COVID-19 crisis has undoubtedly altered countless activities in all utmost fields like economics, politics, and social dealings. The world had no anticipation that the pandemic would be such a catastrophe. Since it originated in late 2019, global economy has undergone tremendous adjustments including visible backslides. The banking sector forms a sizeable portion of the economies because it oversees numerous business dealings such as investments, selling, savings, loans, and dispatching funds. The pandemic left this sector in a challenging state. This paper prepares a thorough exploration of the out-turns of COVID-19 on the surging Mergers and Acquisitions (M&As) among the Gulf Cooperation Council (GCC) Banks. Ever more, the banking industry is becoming more global and sophisticated. Hence banks face increasing challenges to compete and strengthen their position in today's environment and to improve their profitability and market share. Banks found themselves keen on continuously

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enhancing the quality of the services provided and expanding their clientele base, but these improvements were offset by higher staff costs and higher competition even coming outside of banking industry. Many banks were threatened by either operating by incurring losses or leaving the market instead, especially the smaller-sized banks. In addition, banks' operations and performance are closely monitored by the central banks, which tend to subject banks to more intensive regulations as individual countries face their challenges. Against the challenges, banks restructure their loan portfolio, enhance their liquidity position and related cost of capital structures, and improve lending policies to boost profits and market position. Besides, M & As is considered another solution with various reasoning's. M&As could assist banks in achieving several objectives, but the M&A journey is not without challenges. This paper intends to explore the key benefits and challenges the GCC banking sector has been facing since the recent pandemic and sheds some light on a few practical examples by investigating the main rationales and insights for such M&As. Moreover, the paper highlights key benefits and challenges for bank M&As and paves the way for future studies in this field. This paper also attempts to investigate the key implications of some M&As that took place in the GCC during the past few years and assess the impact of these M&As on the overall banking industry. The paper is organized as follows:

Merger and Acquisitions in Retrospect

M&As entails a broad phrase that details firm assets' unification by utilizing numerous financial categories like tender offers, mergers, management acquisitions, consolidations, and asset purchases and acquisitions (Ludvigson et al., 2020). A merger occurs when two or more companies integrate to erect a sole legal company with a bonded corporate name. However, it transpires when one firm secures another firm's stocks to attain sizeable management for acquisitions.

The banking sector entails an exceptional segment in the entire economy. It holds paramount control over entire financial affairs across economic sectors. It is often through the banking sector that most business investments are undertaken especially in the GCC. The industry and individual countries enact numerous regulations to help in commanding banking ventures. M&As have universal implementation but more prominent implementations could be seen in the banking sector. It is ingrained in the innate inclination for financial growth that propels banks to take up M&As. In the past, M&As were allied to rescuing non-performers (Gill & Johnson, 2017). However, circumstances have alternated that presently even the finest performers are engaged in M&As. The reasons for changing behaviors relating to bank M&As could be linked to the tight micro and macro-economic factors. M&As has existed since the mid-nineteenth century. However, the wave modified in the 21st century that currently many banks are employed M&A aspects to make certain of their swift financial growth. According to Greenhut and Ohta (2017), banks originated with the instinctive aspiration to handle loaning and savings. However, situations have been modified to incorporate investments, property dealings, and treasury services, among others.

In this era, banks are confronted with extensive changes, and some are majorly recognized in investment operations. Besides, the globalization trend has impelled bankers into adopting M&As to retain their businesses. Investment banking has steered the industry in absolute remodeling. In the attempts for numerous banking corporates to confirm their expansion, M&A has delivered well-arranged and straightforward means to amplify banking operations. In an investment banking has reconfigured business dealings to levate M&A functioning.

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It is ingrained within investment banking practices that company valuation is resolved. Their practices are accomplished with proficiency to predict later occurrences in terms of stock valuation. In M&A operations, the utilized financial models are assembled by investment banks. The models are applicable in representing and recording the valuable and fixed monetary elements, which dominate or indirectly govern a specific bank's comprehensive value (Williamson, 2017).

(Muhammad et al., 2019) state that acquisition strategy involves building an understandable design on the projections and anticipated attainments from the acquisition. The banks fulfill M&A with benchmarks for pinpointing the possible intentional merging banks. The target bank can be ascertained in terms of customer base and profit margins, among others. The investment banks come in to operate as either acquirer or target representation. They offer acquisition planning. This process aids in meeting the industry standards for assuming M&A. It also assists in procuring a better value from the overall undertaking. It is also crucial that merging banks pitch into valuation analysis and standard negotiations. This facilitates situating an attainable financial strategy (Muhammad et al., 2019).

Several theories underpin M&A for any business sector (Letaifa, 2017). They can be interpreted through efficiency theories that encourage firms to embrace M&A. Under the efficiency theories, the Differential Efficiency Theory (DET) offers a proposition that if one company is highly effective and works in an identical industry, the productive firm will upgrade the less efficient one to facilitate a recommendable takeover. DET highlights the necessity to gain similar efficiency for two companies to compose a constructive M&A. Furthermore, M&A can be stimulated by the Inefficient Management Theory (IMT). IMT examines circumstances where the inefficient firm's situation is openly acknowledged. These theories reveal the requirement to undertake M&A to refine efficiency. Additionally, it is through the DET that most M&A endeavors can take on horizontal takeovers. Furthermore, the IMT reinforces the basis for conglomerate takeovers.

Additionally, M&A can be explained through Agency Theory. The theory offers prominence in the actuality that M&A issues arise when the relations among business principles (owners) and their managers (agents). It allows both parties to put forward their grievances to ascertain a feasible resolution. M&A bestows an equitable occasion for the disputes to be settled. The underlining presumption for this theory is the variance in interests among managers and the firm's owners (Raja, 2018).

In M&A attempts, agents and bosses or owners are both acquisitive and coherent players (Leesa & Mishra, 2016). Their foremost aim is to heighten their value and responsibility. With knowledge from the neoclassical theory, all companies are presumed to be profit maximizers, and it is their leading objective in every business attempt (Letaifa, 2017). However, corporate business managers could be inclined to the behavioral theories where their obligations root in optimizing their behaviors. This is because the agents (managers) have minimal company stocks, and hence their behaviors are directed in regard to superior working conditions and better compensation.

Prospects and Challenges of M&A

Bank mergers have various benefits. The prime component for taking on M&A is built-in generating value. This is considered the utmost advantage of M&A where merged entities produce the best possible corporate governance procedures, which enables banks to serve customer needs with excellence and more efficiency in security, accountability, and

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transparency. It operates on practices and regulations reinstated by the firm's board of directors. Additionally, mergers help institutions reach higher profitability levels and greater market values (Musah et al., 2020).

The merging corporations gain the amplitude to magnify their wealth. This is greatly discerned in terms of expanding stocks in a single organization. The M&A has been acknowledged to originate synergies in the form of bigger and significant production. This means that the consolidated resources will be exploited constructively to uplift both operating and financial synergies (Letaifa, 2017). From this undertaking, it is realized that mergers emerge to be extremely profit-making than single companies. Financial synergies arise in the form of expanded revenue. Furthermore, it refines operational synergies by permitting the merged business to boost its operating income.

M&A creates opportunities for elevating operational efficiency leading to reduced cost as productivity amplifies. M&A is considered optimal occasions for gathering human capital in expertise, socialization, networking, work culture, knowledge, and personality attributes. Besides, mergers upgrade a firm's cost structure. The other motive for assuming M&A is to fulfill diversification. Although mergers may happen for similar businesses, the inclination to magnify diversification is observed in boosting market shares, upgraded products, and improved customer numbers (Leesa & Mishra, 2016). Additionally, M&A can render means for the merging companies to diversify risks. The risks could be concerning costs, revenues, and workforce operations (Leesa & Mishra, 2016).

It is undeniable that assets are imperative for company prosperity. However, generating assets could be provocative, and hence some businesses retreat to undertaking M&A instead of for example developing new technologies. Similarly, M&A assists in checking a firm's tax liability. M&A could also be initiated for personal benefits, especially by the top managers (Letaifa, 2017).

Analyzing the M&A Cases in the GCC

M&As were at moderately slow motions before COVID-19. However, the circumstances have propelled financial institutions into imperative M&As. In current events, GCC banks are aiming for increased M&As. This situation is due to profitability constraints and intensive competition. This has put pressure on weaker banks to face consequences of the pandemic and hence led to applying M&A operations. However, government ownership could be discerned as another factor instigating rampant mergers. The increased M&A are assumed to contrive greater capitalization.

To give example for M&A cases that occurred between two local banks in the State of Qatar, Masraf Al Rayan (MAR) and Al Khalij Commercial Bank (AKCB) undertook the occasion to enact a merger. This move could be analogous to COVID-19 pressures, but it has grounds for starting a sizeable Islamic bank within Qatar. With dependency on the aggregate diversity and equity ingrained in MAR's business model, the M&A is awaited to magnify Islamic banking. Additionally, MAR is acknowledged for its wholesale operations. By January 2021, the merger had been finalized. With the completion of the merger, the united entity will take up the MAR brand, while AKCB will be entirely engrossed in MAR. This will establish MAR as the legitimate entity as per the merger agreement. The united entity will preserve the Sharia principles. The agreement has sealed MAR as the second-largest lender in the Qatar banking sector. The merger has been forecasted to yield an estimate of 8.2 billion Qatari riyals (USD 2.25 bn). As of September 2020, the single entity had acquired a total of approximately QR 172

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billion (USD 47.24 bn) in assets size. This merger gave the allied bank (MAR) a good position in the market. However, the merger could not surpass Qatar National Bank (QNB).

In another monumental merger that took place in Qatar was the merger between the International Bank of Qatar (IBQ) and Barwa Bank. This M&A occurred in 2019 with the propensity to compose a bigger Islamic bank. The merger guided crucial outcomes that generated assets of over QAR 80bn (USD 22bn). The final agreement was achieved in August 2019. The formulated entity initially retained the brand of Barwa Bank. The two dynamic financial players were ushered into an exclusive corporation to conserve Sharia banking. The extensive customer equity-based, robust liquidity and operational scale were guiding elements in establishing a single bank. The union was acknowledged to instigate reforms in the Qatar banking sector through technologized services and products. The single entity rebranded as the Dukhan Bank. The initiated brand was instated with the concealed attempt of creating a capacity to amplify banking services.

Moving on to other cases of accomplished mergers in the GCC Banks, there are a few examples in UAE, whereas the First Gulf Bank (FGB) and the National Bank of Abu Dhabi (NBAD) in 2017. This merger has been acknowledged as a productive undertaking that resulted in a fortunate business currently known as the First Abu Dhabi Bank (FAB). The merger was through mutual consensus among the utmost shareholders of the two entities. It was completed through the procedure of share swap. The merger ushered the entities into erecting a unified brand identity and an enormous bank in the GCC. Another monumental M&A in the GCC Banks was between Al Hilal Bank, ADCB, and UNB. These three entities founded a new vigorous player named the ADCB Group. The ADCB Group now forms an influential player in the GCC Banks. Several aspects led to the above mergers, among which are attributed to growth. The FAB was formed mainly because the previous entities anticipated huge growth in elevated revenues and stronger leadership (Ludvigson et al., 2020).

The financial benefits anticipated by NBAD and FGB were soon realized in 2019 when the FAB was announced as UAE's most substantial bank because it gathered an estimate of AED 670 billion (USD 181.41 bn) as excess assets. The merger has laid the means for other banks to institute mergers. The FAB forms a bright generation of a competitive legacy and steers the UAE economy to feasible development. The merger was also shouldered for government encouragement efforts. This merger was also stimulated by the call for market capitalization (MC). The FAB comprises 14.54 market stock-values as denoted from Market Watch. MC entails the firm's worth as weighed by the stock market. It can also be interpreted as the aggregate market value in its outstanding shares. This was achieved with exertion from the FGB and NBAD merger. Furthermore, currently, FAB stands at a modest MC. Additionally, the UAE government had to endorse the M&A by forwarding an administrative decree in approval to the merger. Additionally, in the efforts to enlarge operational aspects, UNB, Al Hilal Bank, and ADCB entities composed a business merger to uplift a modern collaboration in the UAE bank environment (Ludvigson et al., 2020).

The ADCB Group has swiftly formed a broad base and operational bank that presently supplies at least one million customers. Additionally, the ADCB Group gained AED 423 billion (USD 115bn) as evaluated in assets. It has gained the biggest retail lender's status among GCC Banks and in UAE at large (El-Saharty et al., 2020á) and led to listing the ADCB Group in Abu Dhabi Securities Exchange (ADX). The government also possessed decisive roles in mapping out the ADCB Group. Government ownership is directed along with the Abu Dhabi Investment Council (ADIC). Additionally, with the requirement for technological motives. The consolidated

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ADCB Group accomplished technology improvements where the Al Hilal Bank was accorded jurisdiction to perform its operations through digital platforms to realize Shari'ah-compliant Retail Banking Services (RBS) (Leesa & Mishra, 2016).

Discussions and Changing Entrepreneurship Practices

This investigation utilizes the Market-Based Approach (MBA) with the integration of descriptive analysis. The MBA exploits numerous aspects encompassed in the banking field. These include the market, investors, consumers, and other stakeholders. Data was collected from various sources including industry reports, official government announcements as well as the publication of the banking private sector. This method was utilized to address the research objectives and to reflect a clearer overview of the key achievements undertaken in the fields of banking in the GCC area.

Before the pandemic, M&A was typical within the GCC. This was most visible in 2014 when the oil prices dropped significantly. The GCC vigorously championed the M&s to enhance the general value. In those endeavors, the GCC region was desirable for foreign investments. In only a decade, the region leveraged a boost of roughly 79% in several M&A dealings (Ullah, 2018). 2018 accomplished supplementary M&A accounting to approximately 92 agreements from both outbound and inbounds within the GCC sectors. The GCC acquired an estimate of USD 33.7 billion. The economic boost truly profited the local investors. The GCC was acknowledged as the region's principal in M&A. However, most of the M&A was accounted for in the UAE. In 2017, the National Bank of Dubai (NBD) formed a merger with the Emirates Bank International (EBI) to form the Emirates NBD. Other known M&A occurred between the Emirates Islamic Bank (EIB) and the Dubai Bank (Ullah, 2018).

Additionally, the pandemic has gravely reduced workforces. This made people lose their fundamental livelihoods and the economy greatly decelerated (McKibbin & Fernando, 2020). Furthermore, as the workforces were diminished, also the demand heavily reduced. The GCC banks confronted diverse complications concerning credit quality, liquidity pressures, digital acceptance, operational risks, and revenue compression World Bank.

The GCC countries infused an estimate of USD97 billion in unified actions to reinforce their economic standing. The cooperation also instituted mechanisms to cater to the abiding fiscal upshots of the diminished operations and trading in natural gas and oil fields. The six governments jointly chose to lessen their overall expenditures firstly by diminishing the compensations rendered to the public sector (Martin et al., 2020).The governments decreased on expat workers intending to cut government expenditures. The governments made certain to expand revenues by confirming stability in their major finance earning sectors (banking, gas, and oil sectors) through firm market shares. However, individual countries enacted specific fiscal schemes like expanding their tax systems. For example, Saudi Arabia elevated its value-added tax (VAT) by 10%. The different governments have strived to boost their public earnings through diversification attempts. The governments have aspired to foster their foreign direct investment by permitting private-sector expansion through small and medium enterprises (SMEs).

The separate governments corroborated payment deferrals and government reliefs through jurisdictional tax actions (Carletti et al., 2020). The UAE government extended USD 70 billion to operate as an incentive package. It also forms roughly 20% of the UAE's Gross Domestic Product (GDP). The governments also validated procedures of mitigating lockdown protocols by supporting unlocking of internal flights with stem SOPs. The governments further verified to

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smoothen custom measures.

M&A has always been assumed for the significance of refined financial outcomes. However, their implications in the subsequent COVID-19 period were to strengthen the banking sector. The crisis introduced numerous modifications that have left the GCC with visible challenges. To surpass the COVID-19 circumstances, M&A has reinstated the GCC Banks to acquiring extra assets. Nonetheless, from the pandemic's inception, M&A has tremendously surged to cater to the weakening financial sector. According to information availed by Amer Lakhani, the pandemic has pushed over 50 banks, both international and local, in only UAE to almost close most of their numerous branches because of reduced staff. Also, the pandemic steered considerable depletion in general oil prices. Without a doubt, oil shapes almost all business operations in the GCC countries. Thus, the reduced prices automatically affected all GCC economies. From the depleted revenues, the banking sector could not sustain its routines, and hence some had to shut down while others involve in M&A (El-Saharty et al., 2020b).With guidance from the GCC, the regional banks commenced with bracing mergers as the obtainable resolution to help them preserve their businesses and market stocks.

In the post-pandemic era, the banking sector has to launch certain practices that will entitle them to sail through the COVID-19 ramifications. The period avails chances of initiating reconfiguring models by adopting digitalization. The systems should be amplified to endorse electronic banking. The banks should firmly endorse updated information technology as the ultimatum to verifying cyber security. They should also uncover means to operate within low interest rates because it is not awaited to change rapidly. The operators can also apply the Zero-Based Budgeting (ZBB) approach in reevaluating their post-pandemic plans. Banks can also make certain to utilize the numerous central bank attempts for their governments. The central banks are compelled to ensure that financial players are assisted through feasible means. This can be tendered through liquidity support and regulatory relief, among others (Musah et al., 2020).

The Kingdom of Saudi Arabia also included a few merger cases such as when the Saudi British Bank (SABB) and Alawwal Bank made a publicized statement on their upcoming merger in the post-pandemic era. This forms a considerable M&A after the COVID-19 period (Ludvigson & Ng, 2020). The merger has not been concluded, but it is progressing smoothly to ensure that both entities amalgamate their products for their customers' welfare. Additionally, the unification institutes mean to blend two huge and valuable banks' strengths to invent an ultra-modern banking entity. Moreover, consolidations are being advocated largely in UAE because it is deemed overbanked (El-Saharty et al., 2020a). The UAE approximately comprises over 48 banks, and the pandemic manifested its wrath on those businesses.

For smaller economies like Oman, the crisis has exhibited its ferocity. For example, the Central Bank of Oman (CBO) has engaged in M&A proceedings by authorizing and modulating the coalition between Alizz Islamic Bank (AIB) and Oman Arab Bank (OAB). These operations have been intensified in the bid to save Oman's banking sector. The situation is also detected in Bahrain. The government underpinned it in guaranteeing a fiscal reform initiative. Additionally, the Bahrain Islamic Bank (BIB) welcomed a suggestion from the National Bank of Bahrain (NBB). This comes in intending to amplify BIB's shares and its sharia-compliant operations to leverage from the enlarging pressure for Islamic financial services.

COVID-19 Implications on GCC Banking Sector

The impacts of the COVID-19 outbreak affected the banking sector significantly. Banks

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exerted resilience efforts to creep out of the financial huddles steadily. All current operations are shouldered with the least anticipation of profits. The GCC governments have endowed huge support to make certain that finer and pertinent measures are instated. In the COVID-19 outbreak, banks propelled distinct techniques to reconfigure their business model.

The banking sector made sure to cease dispensable operations. The sector certified its existence by assessing the enduring economic benefits and probable gains. This was undertaken via actions of outsourcing proportions in the value chain. The banking sector has served the banks to find and utilize cost-optimization initiatives. The sector has also infused its undertakings in collection approaches that appear productive. However, the reconfiguration programs have a few hindrances to investments because they must invest more funds in redesigning operations. In addition, the banking sector has attempted to upgrade its risk-management executions, which was accomplished by upgrading the risk assessment techniques. These techniques will be exploited in evaluating creditworthiness as well as to appraise operating Know Your Business (KYB) and Know Your Customer (KYC) exercises. The technology is greatly executed in the electronic-KYC efforts. Furthermore, the banking sector has redesigned its Employment Development Department (EDD) to connect with its clientele via open banking resolutions (Alvarez-González & Otero-Neira, 2019).

Other initiatives applied by the banking sector were addressed to refashion its revenue-growth mechanisms by enfolding remodeling from the business acquisition model (BCM) to the Customer Acquisition Model (CAM), enabling banks to amend operations to connect with their diverse consumers. This technology edge has delineated the banking sector into digital operations because all age groups lately can exploit digital financing. Furthermore, with inclinations on the CAM, the banking sector has engrossed in Digital Customer Acquisitions (DCA). This technique is helping both local and international banks. Additionally, the banking sector inaugurated the Omni-channel strategy. This method operates better with mobile-friendly websites. Currently, many banks in the GCC are implanted in mobile banking, and it is constructive in sustaining customer bases. The banks have rooted more in several online branding undertakings to retain their existing clientele.

It was obvious that the recent challenges resulted from the COVID-19 outbreak have stimulated the banks' need to form mergers to strengthen their positions in their respective markets. However, the motives for mergers were rooted in the essential overall economic conditions including the oil price fluctuations, which the GCC countries heavily depend on as the main revenue generator. Hence, the M&A motives are closely associated with COVID-19 challenges because of declined investments. The nations within GCC are opting for M&A because it boosts their capacity to align their operations and navigate the strains of low interest rates. The banks had gone to extents of lowered efficiency and low margins. These conditions called for prompt and alerted retaliation by the governing bodies. This qualified the GCC and the individual governments with the capacity to boost the banking sector. The GCC area confronted oil price drops from the pandemic effects, which directly affected the GCC banks. Various structural changes linked to GCC modifications, market operations, country practices, and general industry trends. All these elements propelled the GCC banks into constructing mergers. The pandemic set in motion a swing of narrowed business dealings as initiated by the lockdown operations.

CONCLUSION

The Qatari mergers are foreseen to bring about cost synergies. Through combined

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operations, it will aid in relieving strains on profitability. It is because M&A created condensed financial margins. Additionally, it led to inflated loan deterioration charges. The crisis instigated countless economic pressures due to crucial influencers like diminished interest rates, high inflation, lessened government spending, and low exchange rates. These factors pose secondary and direct troubles and strains to the business community. In economic pressures and challenging environments, governments attempt to revisit and re-strategize their budget plans. For the region, the GCC has the legal and economic authority to address the economic pressures. During the COVID-19 outbreak, the GCC countries affirmed their support to their economies to fend off the surging financial challenges through many initiatives such as GCC subsidies and flexible custom measures. These operations empowered different banks with the capacity to reinstall their operations. Also, the operation of minimizing public compensations helped in reserving both government funds and narrowing expenditure. Low interest rates pose enormous obstacles for all ventures of procuring profitability. However, this situation should be taken up because of the prevailing COVID-19 consequence. Many GCC central banks took actions to lower interest rates to encourage spending and increase money supply into the markets, which would ultimately stimulate investment, trade, and further develop their economies.

Among other factors, the COVID-19 situation was a game-changer in the GCC where it accelerated the financial sector's needs for digital transformation, rethink its strategies and implement significant modifications where M&A appeared as an attractive option enabling banks to consolidate and strengthen their market positions. As a result, the GCC banks must undertake actions that employ the latest technology. Moreover, the banking sector is currently contemplating adopting modern technology to maintain its competency, including but not limited to Fintech, block chain, and digital currency, where banks can conduct transactions through electronic channels. In addition, banks should revamp their revenue streams, restructure their loan books and asset investments, and rationalize their operations and costs. Moreover, banks should take steps toward refurbishing their risk management strategies and risk acceptance criteria, to satisfy all stakeholders' needs and requirements.

Regulators and supervising authorities are expected to play a more significant role in steering the M&A activities in the post-pandemic era to meet structural changes requirements and to ensure producing robust operating models for financial systems incorporating Fintech, digitization through stronger regional cooperation. The digital transformation efforts in the banking sector are to be developed further to enable banks to offer a wider range of products and services through their digital platforms, to ensure customer service excellence.

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