

This specific study has been conducted with the aim to highlight and describe the effects of mergers and acquisitions on risk reductions, profitability, efficiency and growth of banking sector of Pakistan. Ten banks operating in Pakistan having observed merger or acquisition transaction including Faysal Bank, United Bank Limited, JS Bank, Standard Chartered Bank, NIB Bank, KASB Bank, MCB Bank, Habib Metropolitan Bank, Habib Bank and Bank Alfalah have been taken as a sample.

The financial analysis has been made with the help of financial ratios before and after merger or acquisition transaction to analyze the effects of the M&A activities. The paired sample T-test has been employed to verify the difference of performance of merging and acquiring banks before and after M&A transactions.

It has been found out from the results of this study that merger and acquisition transactions have no significant effects upon risk reduction, profitability, efficiency and growth of banking sector of Pakistan which is consistent to the several prevailing studies.