MERGERS AND ACQUISITIONS BEETWINE BANK AND INSURANCE AS A CONSEQUENCE OF THE FINANCIAL CRISES[1]

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Abstract

Modern financial markets are characterized by a process of enlarging the activities of financial institutions, mergers and acquisitions, where they assume the character of financial conglomerates. In order to achieve the greatest possible profits and improving overall performance, financial institutions took over the operations and activities of other financial institutions that are not traditionally associated with them. The aim of this paper is to provide insight that is closer to explain a new phenomenon in the financial market, which is related to the process of taking over the activities of insurance companies by banks - Bancassurance and perform some banking services by insurance companies - asurbanking.

Key words: *insurance, banks, financial market, bancassurance, product, merger*

INTRODUCTION

At the beginning of the 90s of XX century, in developed countries there has been a significant flow convergence of banks and insurance companies, which are primarily reflected in the downward trend and nearly disappearing strict distinction between these sectors (Table 1). Most banks now provide insurance services, while a significant number of insurance companies is moving in the direction of offering banking products and services. Due deregulation flows and liberalization, many participants in the financial markets have become a real financial giants who offer a wide array of different financial services. There are several terms related to the trend in the financial sector - are often used Bancassurance, assurfinance and all finance - while the financial institutions that have adopted this strategy, often referred to as financial conglomerates.

By analyzing the literature on this topic, it can be seen several definitions of financial conglomerates. Herring and Santamero under financial conglomerates include "companies that offer basic banking services along with other financial services." International Association of Insurance Supervisors define financial conglomerate as " any group under common control whose exclusive or predominant activities consist of providing significant volume of services in at least two financial sector (banking , insurance, securities trading)." [4]

The tendency to form financial conglomerates and increase their role in the global financial market was started by the banks that are elaborated separate subsidiaries for a wide range of services such as leasing, consumer loans, mortgage loans, etc.. There are several reasons that have forced diversify bank their activities. One of the most important is the present disintermediation in commercial

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banking. Specifically, both the asset side and the liability side, commercial banks are faced with the erosion of their intermediary function. On the asset side of the balance sheet, credit institutions are confronted with the fact that traditional bank loans are increasingly substituted determinate market funding sources. On the liabilities side, there is a significant outflow of deposits to a wide range of new products offered by companies from various sectors such as life insurance companies.

Table 1. Changes on World Financial Markets

	Until 1980.	At 2000.
Form of competition	Nonprice and price competititon	Point is on price competition
Bariers to entry	High	Small
Cost of investment	High	Small
Line of demarcation	Competition in same group	Competition is not limited
Specialization	Tradicional offer	Modern offer

Source: Tina Harrison, Financial Markets and Institutions, Prentice Hall, 2000, str.29

The role of the Bank as agent of insurance company has a long history: "It is partly originated from the complementary nature of product is banking and insurance companies, and partly because of the possibility to reduce the cost of searching for existing customers who want to expand the range of products they buy."

Insurance companies have also exercised the use of the concept of business because they had at their disposal an additional distribution channel. However, the situation changed dramatically when the bank decided to individually signed by the risk by establishing their own insurance companies, which contributed to the cooperative interaction in the relationship between banks and insurance companies turned to competitive. It is worth noting that it is precisely from that moment concepts Bancassurance, all finance and financial conglomerates began to attract wide attention.

Establish their own insurance companies, banks tried to take over the deposits that are lost in competition with insurance companies, which have been extremely successful in mobilizing funds from the general public. In fact, fearing the vulnerability of the public pension system , people are becoming more and more shall be included in the additional pension benefits under contracts of life insurance. Moreover, the savings through life insurance is frequently supported by the attractive tax regime.

According to Lafferty Business Research (1991), the reaction of insurance companies in the growth and development of Bancassurance and financial conglomerates differ significantly from country to country. Facing an invasion of their territory, some insurance companies have decided to infiltrate the banking market (mainly to savings) developing banking activities virtually from the start point or by entering into distribution agreements (agreements distribution) . In addition, the financial markets to realize a large number of mergers and acquisitions between banks and insurance companies, establishing strong relationships between partners from different financial sectors.[5]

MODELS OF THE FORMATION OF THE BANK INSURANCE

There is no unique way of forming a bank insurance that is best for each insurance company and for each bank. As in all business situations, appropriate strategic plan , created in accordance with the analysis of the external and internal environment of the company and its goals , is necessary before making any important decisions. There are many ways in which it can form bank insurance. Typical are the following models:

[5] T. Hoschka, *Bancassurance in Europe*, 1994.

I The first model called distribution arrangements (distribution agreement) distribution channel one partner gets access to the database (file) the other partner. This is the simplest form of bank insurance, no deeper cooperation and the need for greater investment, but very easy and can be unutilized, if the partners do not cooperate enough to exchange data. Under this arrangement usually supplies the bank "friendly “insurance company "hot traces " (warm leads) from the database of bank customers , from which it can generate a very profitable revenue for both partners . It is the conclusion of an insurance company in the sale of its products. This type of arrangement may prove very profitable, as it requires a small investment, but the insurance products that are the subject of investments must have a " brand " (although the bank may sell them under their company) and are usually standardized.

II The second model is a strategic alliance (strategic alliance), which represents a higher level of business integration, coordination with management, the joint development of products and the possible sharing of client base. Requires less investment, primarily in the information technology and sales staff. In the first and second models and the lack of integration is the possibility that the system resources, and often duplicated, and that a synergy is not achieved.

III The third model is a joint venture (joint venture) and involves joint ownership of the products and clients (databases) that require long-term close cooperation and significant investments. Institutionally this joint venture can be achieved on a corporate basis by creating a new insurance company by existing banks and insurance companies. It is possible and each share of the share capital and the management of banks and insurance companies (cross shareholdings) that creates the connections between their business activities and services provided , as well as the preservation of a significant proportion to the degree of independence.

IV The fourth model is the creation of a group of companies providing financial services (financial services group) through the purchase (acquisition) of the existing banks (in whole or in majority part) by the insurance company or the establishment of new banks by the insurance company (the new beginning without association). Similarly, the purchase of an existing insurance company (in whole or in part) by the bank, or the establishment of new insurance companies by the bank. It is possible merger (merger, fusion) insurance companies and banks, in more or less equal footing. Operating systems of these entities are fully integrated in providing integrated financial services (one-stop financial services). If the line is highly convergent model (highly converged model) operations and infrastructure are integrated with cutting costs by sharing a database of customers and distribution channels.

Of course, this does not exhaust the possible forms of bank insurance. For example, it is model-based holding company where the financial institution, organized as a holding company, owns several companies (insurance companies, banks, finance companies, broker, etc.) that are "dependent" companies, but in proportion to the autonomous service each of its traditional market segments, with little integration. Model-based holding company to disperse risks, but makes it difficult to integrate, which often leads to duplication of systems and resources.

Banks and insurance companies have a lot in common, but is perhaps the most important common feature is that the core of their business process mediation. Selecting the right model for bank security depends to a great extent by regulatory, and cultural environment of the host country (for example , most bank security arrangements in Asia, distribution arrangements , and these arrangements are more involved and the insurer). Overall, more integrated model will allow more opportunities for rationalization and improvement of operational efficiency based on fully integrated financial services, but increasing complexity in other areas can reduce the overall benefit. Based models to a greater or lesser extent on the distribution arrangements are suitable for simple insurance products ie . traditional insurance products (traditional insurance products) . Models that are in transition between distribution arrangements and real integration, are the " mixed banking and insurance products " (blended insurance -banking products) that are " tailored " to the bank insurance . In any case, banks and insurance companies must agree to the sales channel used , which "belong" to clients , ensuring that products will be offered and how it will be offered .

REASONS FOR ENTRY OF BANKS INTO BANK INSURANCE

The main reasons that influenced the decision of banks to enter the insurance industry sector are as follows:

- Profit - it is estimated that the bank insurance participate but with 20-30% of the profits of banks in continental Europe.
- Intense competition among banks - in terms of reducing the spread of interest rates, has led to an increase in administrative and marketing costs and limited -profit network of traditional banking products, all of which caused the need to find new products to maximize productivity and profitability.
- Changes in the preferences of customers of banks - changes in the environment are inevitably led to changes in the behavior of customers. They began to seek to provide them with more services, better information, and most importantly, they want to see their money increase. Now it requires a wide range of professional and cost-effective banking services. All this has created a very competitive environment for banks and forced them to begin to think and act in a completely different way.
- Decrease in the share of traditional savings and deposits - which is the traditional core of the potential and profitability of banks that manage their clients' money. Life insurance products, which are mainly supported by favorable tax. [6]

The benefit of the Bankasurance for insurance companies is reflected in the fact that it allows them to expand their coverage to new customers ie . clients of the bank , or to areas where insurance companies had some form of territorial presence , a bank that has its business units . In this way, the bank does not have to build its own network of insurance agents which need a lot of money and time . We should not ignore the specific reasons , such as demographic , as the bank's customers represent a completely different segment of the population (age , gender, buying habits) in relation to the insurer who previously had mostly . Bank insurance enables insurance companies to expand their range of insurance products offered by , or through banking channels to sell their products that are not suitable for traditional distribution channels of insurance companies . Connection with the bank to the insurer that under relatively favorable conditions occur additional capital, and the development of new financial products for insurers much more effective if you work with a partner bank.

As for the clients (insurance companies and banks), they have an increasing importance of service offering "all in one " , while saving time , lower commissions and premiums (as it will reduce the cost of the distribution company transferred to policyholders through reduced premiums) and the possibility to obtain complex information in one place.[7]

In any case, the insurance company is the dominant motif expansion of distribution channels , and reduce costs , as according to a study of the distribution channels of insurance products cost 33 % of the average premium equivalent (average premium equivalent) , distribution through independent financial advisors / agents 42 % and over own sales network of 78 % . Otherwise, a study by the Boston Consulting Group and the Bank Administration Institute in the United States argues that the existing banking infrastructure allows banks to do business with one bank insurance at cost, which is 30-50% of the cost of traditional insurers . At the same time, through the Bank Insurance is possible to sell 3 to 5 times more than the policy in a way that is normally working insurers.

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[6] *Bancassurance in Practice*, Munchen Ruck, Munchen, 2001

[7] Babić-Hodović V,, *Bankoosiguranje-konkurencija ili kooperacija bankarstva i osiguranja,* Svet osiguranja br. 2/2003, str. 59-63

Product of Bankasurance

All life insurance products are natural products that belong to the broader financial services sector. For bank insurance operation, considered separately, decisions about the types of insurance products that will be sold is very closely related to the distribution methods that are intended to be used. Because the commitment and expertise required for the sale of the products must be compatible with the capabilities and cost base selected distribution method. A product that is inappropriate for sale through the available distribution channels will be successful in operation; it is expressed in the volume of sales or the amount of profit.

By bank insurance, can be placed almost all life insurance products . However, apart from the traditional insurance products Insurance Bank has developed specialized products to meet the specific needs arising from banking transactions or improve certain products to make them more attractive and useful to consumers. Particularly interesting are:

- Credit Insurance - Credit insurance in case of death of the borrower (insured), or his permanent incapacity to repay the loan taken, as in the case of non- repayment obligations on time. Loans that are the subject of insurance (mortgage loans, consumer loans, commercial loans, overdrafts) are usually for a period of 5 years.
- Simple a standardized insurance products - (such as auto liability insurance, household insurance) that are sold individually or in a "package" (where premiums less if purchased together).
- Pure investment products - which do not have "security element ", ie . No risk they represent the traditional domain of the bank, but some of them enjoy favorable tax treatment if they offer insurers.

In addition, insurance products that can be sold through the bank and the insurance : insurance associated with investments in mutual funds (unit- liken products), insurance against accident or illness , income insurance, insurance, medical expenses, voluntary pension insurance, credit cards and so on .

Non-life insurance products have traditionally been less important for marketing the bank insurance. The main reason for this could be the complementary nature of life insurance and banking products, where both types focused on the accumulation of resources and their management. For this reason, the banks find it easier to sell life insurance products than non-life insurance products. Second, life insurance as a long-term contract implies the necessity of investments entrusted funds in financial institutions, including banks poll well. At the same time, a good knowledge of the financial situation of the client and his needs to bank officers to more easily sell a life insurance policy, and this aspect is less important in the distribution of non-life insurance [8]

MERGER AND ACQUISITION IN EUROPE

The current financial crisis that has shaken the world leads to significant changes in the structure and functioning of the global financial system. The crisis in the 2008th was transferred to the mortgage market in the stock and bond markets and quickly became a presence on a global scale. The biggest structural change in the current crisis, the collapse of U.S. investment bank model as independent financial institutions. The crisis has been transferred to the segment of traditional banking, but the massive withdrawal of saving deposits with banks prevented state guarantees, except that the limits of these guarantees significantly increased. The effects of the crisis on the real economy have been reduced by the state responses towards the stabilization of the banking system and restore confidence in the company, investors, customers and creditors.

[8] Swiss Re, Bancassurance developments in Asia – shifting into a higher gear, Sigma No.7/2002, str.24 -25

So, historically, in terms of uncertainty, particularly uncertainty that capital markets provide adequate sources of fresh funding, it is normal to expect a decline in M & A activity. The state of the financial markets has had a powerful influence on the behavior of financial firms and their strategic PIORIT. New strategic priorities for financial companies include a greater focus on national priorities, the stability and solvency of the business at the expense of increasing revenue. Based on the characteristics of the twenty largest transactions of the 2008th which comprise 80 % of the total value of transactions , the change can be generalized as follows :

- The nationalization of some large financial companies in terms of taking majority stake of the state (more than half of the twenty largest transactions are of this type) . Some examples include the acquisition of Fortis from the Belgian government in the country, followed by nationalization of Dexia companies and recapitalization of KBC.
- Recover companies that have significant difficulties in business. Some of the western financial groups took the opportunity to take the weakened target companies for their “secondary home markets”, so the BNP Paribas Fortis took over the operations of the Group In Belgium and Luxembourg , by their government .
- Divestment of business activities that are not closely related to the core business. Often they conducted the sale of those assets or subsidiaries that are geographically distant. As an example the sale of the German retail banking segment of the Citigroup group Credit Mutuel . Allianz sold Dresdner Bank in August last year, the foreign buyer is found Commerzbank , which is in this transaction saw a chance to further strengthen domestic activities in the banking sector. This trend could have a significant impact on the operations European banks in CEE and SEE. Be sure that the banks that entered the market thinking about the divestment of subsidiaries in markets where failed to realize the projected benefits of synergy.
- Important guidance on the implementation of economies of scale and increase market share at the national level and fragmented domestic markets. A trend that will formed around these activities will mean a continuation of the consolidation of small and medium-sized banks in the fragmented markets of Italy , Spain and Germany . Here we point out the potential for the use of innovative ways of financing transactions such as swaps asset (asset swaps).

Decline in cross-border activities aimed at developing markets, mainly in CEE and SEE. Decline in activity directed at these markets began in 2007. years, partly due to the reduced number of attractive target banks, and partly due to the credit crunch. In 2008 year decrease in activity has continued, which have contributed to the lack of liquidity, slowing economic growth in the region, as well as the inability aquisitor to find good resources to finance new transactions.

Table 2. Top 20 transition on financial market in Europe in 2008

Time of transation	**Target**	**Country**	**Aqusitor**	**Country**	**Value of transation**
October	Royal Bank of Scotland Group (udeo 57,9%)	UK	UK Treasury	UK	€25.487m
October	Fortis Bank Nederland	Holand	States-General of the Netherlands	Holand	€6.800m
October	HBOS (udeo 58,1%)	UK	UK Treasury	UK	€10.854m
October	ING Groep NV	Holand	States-General of the Netherlands	Holand	€10.000m
August	Dresdner Bank AG Fortis SA/NV (udeo 75%);	Germany	Commerzbank AG	Germany	€9.800m
October	Fortis Banque Luxemburg	Holand/Belgia	BNP Pribas SA	France	€9.000m

Time of transation	Target	Country	Aqusitor	Country	Value of transation
	(udeo 16%)				
Septemb.	HBOS plc	UK	Lloyds TSB Group plc	UK	€7.659m
Novemb.	Bayerische Landesbank	Germany	German Federal State of Bavaria	Germany	€7.000m
Septemb.	Dexia Group (udeo 34,4%)	Belgija	Vlade Belgije i Holandije	Blegia, France	€6.000m
October	Lloyds TSB Group (udeo 32%)	UK	UK Treasury	UK	€5.746m
Jul	Citibank Privatkunden AG	Germany	Credit Mutuel SA	France	€5.200m
Avgust	Roskilde Bank A/S	Denmark	National Bank of Denmark	Denmark	€5.000m
Septemb.	Fortis Bank SA/NV (udeo 49,9%)	Holand/Belgia	Vlada Belgije	Belgia	€4.700m
			Konzorcijum na čelu sa Babcock&Brown Ltd.	Australia,	
Jun	Angel Trains Ltd	UK		Canada	€4.539m
				Germany	
Oktobar	KBC Groep NV	Belgiia	Vlada Belgije	Belgia	€3.500m
Oktobar	AEGON NV	Holand	States-General of the Netherlands	Holand	€3.000m
Decemb.	Deutsche Postbank AG	German<	Deutsche Bank AG	Gemany	€2.790m
Jul	HSBC France SA	France	Banque Federale des	France	€2.100m
			Banques Popularies		
Jul	Alliance and Leicester plc	UK	The National Treasury Management Agency	Spain	€1.673m
Decemb.	Anglo Irish Bank	Irland		Irland	€1.500m
	Corporation				

Source: PricewaterhouseCoopers, „Back to the domestic future", March 2009.

Previous changes marked the end of two trends that have dominated activities financial sectors in recent years. First, the marked decline in the value of total transactions in the financial sector and the banking sector. The total value of transactions in the European financial services sector decreased from € 208bn in 2007. to € 179bn in the 2008th year, of which the value of transactions in the banking sector amounted to € 152bn. If we exclude transactions in which the state is a aqvisator, we come to a figure of 65% decline in the value of M & A transactions in the 2008th year. Secondly, there has been a focus on national transactions at the expense of cross-border.

In the last decade M&A activity has fluctuated in all industry, especially in financial sector. Since the start of the financial crisis the risk perception has risenand the global M&A activity in financials has fallen, although the volume of thetransactions is the largest in the sector.[9]

[9] Eva Pinter, Merger and Acquisition in the financial services industry, International journal of social sciences and humanity studies Vol 3, No 1, 2011

Table 3. Global M&A Volume by Top industries (billions USD)

	Energy	Financial	Telecom	Healthcare	Materials	Utilities
2000	146,67	506,91	526,11	20,76	118, 69	97,24
2001	139,62	408,24	140,81	17,37	94,75	108,89
2002	74,26	260,77	91,15	24,03	50,5	95,3
2003	73,26	347,89	105,64	52,29	63,81	47,01
2004	186,05	522,14	220,69	53,03	105,19	68,43
2005	215,18	581,61	269,44	90,48	149,37	123,95
2006	252,45	940,56	281,37	133,68	283,92	249,33
2007	279,54	1016,8	205,93	118,66	296,35	304,52
2008	235,33	724,34	175,35	63,53	184,88	212,1
2009	223,14	422,55	98,4	25,96	81,73	103,01
2010	300,1	328,86	162,71	56,05	134,42	127,08

Source: Bloomberg 2011

In the financial sector we analyses the cross-sectorial changes to estimate the motivation of financial institutions. The European banking has experienced substantial changes and new forces of changes have taken place such as structural deregulation and prudential reregulation, competition, technological developments, globalization have occurred. M&A deals are one of the main responses to new force of changes in the banking sector.

Table 4. Value of M&A transactions betweenEuropean Financial institutions

Target company industry	Acquirer company Industry						
	AFI	AM	Banks	Brokers	OCI	DF	Insurance	OF
AFI	39,8	440,4	0	0	0	0	0	258,2
AM	393,2	3834,9	3131,4	413,4	56	0	5301	11460,3
Banks	0	3574,3	178507	14037	63,4	0	67,4	127519,1
Brokers	59,8	21,2	2393,6	4590,5	0	0	45,2	5647,3
OCI	91,7	88	1855,5	1145	3420,7	0	1015,4	3153
DF	0	0	640,7	0	0	0	7,9	144,2
Insurance	479	1228,1	5222,5	125,4	0	0	45801,4	6451,5
OF	5620.7	9864,5	3880,2	199,9	181	0	35,7	8583,5

AFI: Alternative Financial Investment, AM: Asset Management, OCI: Other Credit Institutions, DF: Diversified Financial, OF: Other Financials

Source: Thompson ONE Banker database 2009

We realized before that financial suppliers needed to extend their activities to cope with the emerged competition in the financial services sector, but now we can support this theory with numbers. Banks have loosened their space against other non-bank supplier. Table 4 make clear that banks are motivated to defense the customer savings, so their sources, according to integrate insurance companies into their business.[10]

After the detailed M&A transactions, the largest number of transactions is made by insurance companies and banks. It shows us a real heavy competition. In terms of deal value, banks play the major rule with 195 631.4 million USD, beyond the insurance sector's 52 274 million USD. By the reason of global financial crisis, there is an enormous transaction value in terms of inside sector M&A in bank sector, but the second largest deal value lead up to the insurance industry with 5222.5 million USD. It demonstrates the necessity of widening services and that banking and insurance services or

[10] Eva Pinter, Merger and Acquisition in the financial services industry, International journal of social sciences and humanity studies Vol 3, No 1, 2011 p.100

organizations can be complementary and not competitive alone. Recent statistics show a rising trend of M&A transactions since 2003.[11]

MERGER AND ACQUISITION IN SERBIA

Mergers (mergers) and acquisitions (acquisitions) are the most important factor in the development of countries in transition, and Serbia. In Serbia a record number of mergers and acquisitions made in 2005, and their value peaked in 2006th year, when it recorded income of 4387 billion, primarily due to the arrival of Telenor. In doing should be noted that our country is characterized primarily trend acquisitions.

Of the 47 bank that are operating in the Serbian market before the acquisition today operates 34 One should expect a further decline in the number of banks. So far, the reduction in the number of banks was a consequence of the acquisition, and will continue to be the motive for retention market position and increase participation. In the process of privatization of the state sold its share packages that acquired on the basis of the conversion obligation for banks by the London and Paris Club, and the conversion liabilities on the basis of old foreign currency savings. Here are presented only some of the numerous examples acquisitions of banks in Serbia. The biggest takeover in the domestic banking sector to date , with the National Bank of Greece (NBG) when 2006th bought Vojvoñanska banka ad Novi Sad for 385 million euros. Acquisition Vojvođanske Bank was interested in 11 banks.

Despite large differences in organizational structure and marketing activities, the Bank successfully continued joint operations. While the Vojvodina Bank maintained its name. This decision was made for marketing reasons, to preserve existing clients .

One important example is the bank Intesa Sanpaolo , which entered the Serbian market 2005th the merge with Delta Bank (90 % stake plus one share) of EUR 462 million . The process of privatization in the banking sector otherwise it is pretty bad implemented, and it is assessed that Serbia it lost 800 million euros. However, sales of Delta Bank, after sales Vojvođanske Bank, considered one of the most successful. Intesa Sanpaolo 1 January 2008. merged into the Pannonian bank purchasing 87.39 % of the share capital 140 million, which further strengthened its market position as the leading bank in Serbia .

New Ljubljana Bank (NLB) , Slovenia's largest bank , is specific in that it has made the acquisition and merger on the Serbian market . The first was in July 2005th acquired 98.43 % of the share capital of Continental Bank, New Sad to 49.5 million. Then the Continantal NLB banka Novi Sad and NLB LHB Banka Beograd merged and of 1 Januar 2009 sharing the name NLB banka Beograd , operating as a universal bank type.

Some banks have performed their acquisition through a capital increase. Thus, Credit Agricole entered the Serbian market 2005th The recapitalization of Meridian Bank AD Novi Sad , which was 100 % privately owned and before the acquisition. Credit Agricole has thus gained a 71 % stake , and a year later, the purchase remaining block of shares from minority shareholders became the sole owner of the bank . In the same way, and the Pireus Bank acquisition of Atlas Bank.

OTP Bank Budapest conducted the acquisition of three Serbian banks: Niska banka (which is initially mentioned a figure of 75 million, then 38 million , and eventually was sold for 14.21 million euros), then Kulska Bank for 118.6 million euros and Zepter bank for about 32 million euros. However, despite the OTP Bank now occupies only 3 % of the Serbian banking market. Eurobank EFG is assumed Postbank ad Belgrade March 2003. The group is , from Mart 2006 became the owner of

[11] Eva Pinter, Merger and Acquisition in the financial services industry, International journal of social sciences and humanity studies Vol 3, No 1, 2011 p.101

National Savings Belgrade . This privatization is still on the list of 24 controversial privatization, which requires a review of the European Commission.

Acquisitions are a key factor in the development of the insurance market in Serbia, which is in addition to previous investments still underdeveloped. The insurance company UNIQA entered the Serbian market end of 2006. the purchase 80 % of the capital Zepter insurance , which at that time consisted of about 35 % of the domestic market . In mid- 2007. The Slovenian Triglav has bought 95 % of the Belgrade Kopaonik insurance. Late 2011 sold 83.3 % Capital insurance company DDOR Italian insurance company Fondiaria SAI .

CONCLUSION

Mergers and acquisitions are one of the most basic and most important form of corporate restructuring. Taking into account all the benefits and privileges that mergers and acquisitions are carrying this form of corporate restructuring of the future will not be ignored. Also, despite the high percentage of failure of mergers and acquisitions (50-75%) will contribute to a more profound studies of the implications of corporate strategy.

As the global economic crisis has adversely affected almost all large companies, so the hostile takeover will be on the rise. Hostile takeovers, as a form of very rapid economic growth, will certainly have a negative prospects for target company - loss of identity of the company, layoff, taking patent and brands etc.. However, it is the growth of hostile takeovers will result in the improvement and enhancement of defensive strategies. Companies will overlook their statutes already hostile takeovers and react preventively, setting defensive strategies such as "golden parachute", various amendments in the event of a hostile takeover, and the like.

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