

MERGERS AND ACQUISITIONS IN THE BANKING SECTOR – CASE OF THE REPUBLIC OF SERBIA

ABSTRACT: The basic trend of the banking sector before the onset of the global financial crisis in 2008 was characterized by deregulation of financial markets. Following the onset of the crisis, regulatory bodies have been striving to increase regulation of the financial sector. The global crisis has led to great many mergers and acquisitions in the banking sector. Accordingly, this paper points to the significance of the banking sector's stability in the conditions of globalization, following the global financial crisis, when a major wave of mergers and acquisitions of the international banking sector has been produced. The research refers to qualitative and quantitative study of mergers and acquisitions in the international banking sector, and the specifics of these transactions in national economies of the countries in transition (the case of the Republic of Serbia). In the introductory part of the paper, theoretical considerations of the mergers and acquisitions are stated. Specifics follow of the mergers and acquisitions in the countries in transition, compared to those in developed countries. Through disclosure and analysis of quantitative data of mergers and acquisitions in the international banking sector in USA and Europe, this paper then identifies specificities of these transactions in different continents. In the second part of the paper, analysis follows of the mergers and acquisitions in the banking sector in the Republic of Serbia. A certain methodology is employed involving collection and processing of the latest data, i.e. quantitative data offered by the relevant international institutions, as well as their comparative analysis. In its concluding segments, on the basis of the previous analyzes and research results the paper identifies factors of emergence of the mergers and acquisitions, future trends in such, offering certain guidelines hopefully leading to harmonization of the banking sectors of the countries in transition and of highly developed countries, as well as in international banking on the global level.

KEY WORDS: *mergers and acquisitions, banking sector, mergers and acquisitions in international banking*