Merdžeri i akvizicije banaka (M&A) uzrokovane promenama na finansijskim tržištima*

NAUČNI RAD – – EMPIRIJSKO ISTRAŽIVANJE

UDK 336.71

DOI: 10.46793/Rev24108223J

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Apstrakt: *Promene na finansijskom tržištu izazvane Covid-19 pandemijom i krizom u Ukrajini 2022. godine doveli su do velikih turbulencija u svetskoj ekonomiji. Neke oblasti su više, a neke manje zahvaćene novonastalom situacijom. Pored uticaja Covid-19 pandemije i krize u Ukrajini na celokupni finansijski sektor, ne treba zanemariti ni sam uticaj na spajanje i preuzimanje banaka, merdžere i akvizicije (M&A), kako u Republici Srbiji, tako i u svetu.*
Autor u radu daje prikaz spajanja i preuzimanja banaka (M&A) u Republici Srbiji i u svetu. Na osnovu raspoloživih podataka i izveštaja relevantnih finansijskih institucija dat je prikaz uticaja Covid-19 pandemije i krize u Ukrajini 2022. godine na spajanje i preuzimanje banaka (M&A). Da bi se izveli adekvatni zaključci, korišćeni podaci u radu su zvanični podaci Svetske banke (WB), Banke za međunarodna poravnanja (BIS) u Bazelu, Deloitte, KPMG, kao i podaci Narodne banke Srbije (NBS).

Primljen: 25.09.2024.
Prihvaćen: 16.11.2024.
Objavljen: 27.12.2024.

Ključne reči: *spajanje i preuzimanja banaka (M&A), kreditni rizik, Covid-19 pandemija, kriza u Ukrajini, finansijska tržišta*

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* Ovaj rad je deo rezultata u okviru istraživanja na Projektu U 01/2023 Zelena ekonomija u eri digitalizacije, Alfa BK Univerziteta, Fakulteta za finansije, bankarstvo i reviziju u Beogradu.

1. UVOD

Bez obzira na niske kamatne stope, zajedno sa značajnim uticajem Covid-19 pandemije i krize u Ukrajini od 2022. godine, profitabilnost banaka na posmatranim tržištima se ne smanjuje značajno. Banke se odriču zarada od kamata, ali svoj prihod zasnivaju na provizijama i na velikom broju onlajn transakcija. Primetno je povećano korišćenje svih onlajn usluga u bankama, tako da se trošak obrade transakcija smanjuje, ali se provizije na iste povećavaju. Do 2020. godine provizije na transakcije putem onlajn aplikacija i drugih onlajn usluga bile su besplatne svim korisnicima, međutim danas u zavisnosti od vrste paketa u pojedinim bankama provizije na svaku onlajn transakciju se naplaćuju. Cena usluga je nešto niža u odnosu na to kada klijenti dođu lično u banku, ali i tošak koji banka ima prilikom obrade onlajn transakcija je jako nizak.

Jedan od ključnih uticaja Covid-19 pandemije i krize u Ukrajini koja je počela 2022. godine na globalnu ekonomiju jeste i visok kreditni rizik u bankama, gde veliku pretnju čine nenaplativa kreditna potraživanja, kako od fizičkih tako i od pravnih lica. Države su preduzele mere kako bi na što bolji način sačuvale svoju ekonomiju i dale određene podsticaje fizičkim i pravnim licima da bi im bilo omogućeno da vraćaju uzete pozajmice u dogovorenom roku ili da koriste razne vrste moratorijuma na kredite kako bi rasteretile svoje finansije u kriznim situacijama.

Da bi se kreditni rizik držao pod kontrolom u cilju nastavka finansiranja realne ekonomije i podržavanja njenog oporavka, banke su pozvane da slede preporuke svojih centralnih banaka kako bi u kratkom roku izbegle neminovne šokove; dugotrajniji uticaji bi zahtevali adekvatnije upravljanja kreditnim rizikom i uvođenje strožih pravila. (BIS, 2020) U okviru standarda i postupaka koji se koriste za merenje i kontrolu rizika u bankarskom poslovanju, postoje određene procedure koje se odnose na kreditni rizik. (Ljubić, 2015)

Takođe, zbog samog uticaja Covida-19 pandemije na bankarsko poslovanje i na celokupno smanjenje ekonomske aktivnosti, banke su prinuđene da povećavaju rezervu kapitala za kreditne gubitke, što će implicirati negativne posledica na sam kvalitet kredita. Banke se već suočavaju sa potencijalnim porastom loših kredita, navodi se u izveštajima BIS-a (BIS, 2020).

Velike turbulencije na tržištu izazvane Covid-19 pandemijom i krizom u Ukrajini 2022. godine dovele su do izvesnih velikih promena u svetskoj ekonomiji. Neke oblasti su više, a neke manje zahvaćene novonastalom situacijom. Ne treba ni zanemariti i sam uticaj na spajanje i preuzimanje banaka (M&A), kako u Republici Srbiji, tako i u svetu.

2. METODE I PREDMET ISTRAŽIVANJA

Korišćeni metod istraživanja u radu je deskriptivna analiza, metod indukcije i metod dedukcije, kao i analiza sadržaja dostupne literature i postavljenog predmeta i cilja istraživanja. Da bi se došlo do adekvatnih rezultata istraživanja, u radu su korišćeni zvanični podaci Svetske banke (WB), Banke za međunarodna poravnanja (BIS) u Bazelu, Deloitte, KPMG, kao i podaci Narodne banke Srbije (NBS). Svi podaci korišćeni u radu su prikazani u godišnjim vremenskim serijama.

3. REZULTATI ISTRAŽIVANJA I DISKUSIJA

Proces spajanja i preuzimanja (M&A) banaka u Srbiji je intenzivan u proteklih deset godina, ali je pod uticajem Covid-19 pandemije i krize u Ukrajini od 2022. godine poslednjih godina trend nastavljen. Na tabeli br. 1 dat je prikaz spajanja i preuzimanja (M&A) banaka u Srbiji od 2015. do 2023. godine.

Uticaj krize u Ukrajini iz 2022. godine na bankarski sektor Republike Srbije je manji nego u većini evropskih zemalja usled očuvane makroekonomske i finansijske stabilnosti, prethodno ostvarenog dinamičnog privrednog rasta, strukture domaće ekonomije i stvorenog fiskalnog prostora, kao i pravovremenog i sveobuhvatnog paketa mera pomoći privredi i stanovništvu. Zahvaljujući efikasnoj intervenciji Narodne banke Srbije sprečeno je prelivanje eksternih šokova izazvanih eskalacijom sukoba u Ukrajini na domaći bankarski sektor i sprečena su eventualna prelivanja rizika koja bi mogla negativno uticati na bankarski sektor.

Tabela 1: Lista spajanja i preuzimanja (M&A) banaka u Srbiji od 2015. do 2023. godine

Godina	Cilj	Kupac	% vlasništva	Zarada u EUR mn	Prodavac
2023	Expobank	Adriatic Bank a.d.	100%	n.a.	Expobank
2022	Sberbank Srbija a.d. Beograd	Agroindustrijska komercijalna banka AIK a.d. Beograd	100%	n.a.	Sberbank Srbija a.d. Beograd
2022	Komercijalna banka a.d. Beograd	NLB Komercijalna banka AD Beograd	100%	n.a.	Komercijalna banka a.d. Beograd
2021	Sper banka	AIK banka	100%	n.a.	Sper banka
2020	Opportunity banka a.d. Novi Sad	3 Banka akcionarsko društvo Novi Sad	100%	n.a.	Opportunity banka a.d. Novi Sad
2019	OTP Banka Srbija a.d. Novi Sad	Vojvođanska banka a.d. Novi Sad	100%	n.a.	OTP Banka Srbija a.d. Novi Sad
2018	Piraeus Bank AD Beograd	Direktna Banka	100%	58	Piraeus Bank
2018	Telenor Banka	River Styxx Capital	85%	n.a.	Telenor ASA
2017	Vojvođanska banka a.d.	OTP	100%	125	National Bank of Greece
2017	Alpha Bank Srbija AD	MK Group d.o.o.	100%	n.a.	Alpha Bank
2016	Findomestic Banka a.d. Beograd	Direktna Banka	100%	n.a.	Findomestic Banca SpA
2017	Marfin Bank A.D. Beograd	Expobank	100%	14.8	Cyprus Popular Bank Public Co Ltd.
2015	Čačanska Banka AD	Turkiye Halk Bankasi	76.7%	10.1	EBRD; State; IFC; Beogradska Banka

Izvor: Autor na osnovu izveštaja Deloitte i Narodne banke Srbije

U periodu od Covid-19 pandemije u Republici Srbiji je zadržan trend koji je bio u periodu pre 2019. godine. U odnosu na 2019. godinu kada je na kraju četvrtog kvartala u Republici Srbiji poslovalo 26 banaka (NBS), danas 2023. godine posluje šest banaka manje. Kakav će trend biti u 2024. godini može se predvideti na osnovu prethodnih godina. U skladu sa napred navedenim može se zaključiti da na bankarskom tržištu Republike Srbije neće biti značajnih promena.

Pored uticaja Covid-19 pandemije i krize u Ukrajini koja je počela 2022. godine na celokupni finansijski sektor, ne treba zanemariti ni sam uticaj na spajanje i preuzimanje banaka u svetu. Nakon perioda rekordnih aktivnosti spajanja i preuzimanja tokom protekle decenije, bankarska industrija se suočava sa veoma velikim poremećajima.

U izveštaju (KPMG, 2020) navodi se osam uticaja Covid-19 pandemije na spajanje i preuzimanje banaka u svetu, i to:

1. Doći će do ubrzanja u globalnoj domaćoj konsolidaciji.
2. Ubrzaće se poslovi spašavanja i restrukturiranja.
3. Rast NPL-a može preteći rast kredita.
4. JP preduzeća će morati da ponovo procene svoje investicione planove.
5. Fintech akvizicija od tradicionalnih učesnika na tržištu.
6. Oporavljanje od nevolja i preuzimanja u nevolji.
7. Specijalizovane finansije i banke izazivači.
8. Podsticaj za digitalna rešenja.

Covid-19 pandemija predstavlja priliku za podsticanje veće upotrebe digitalnih mogućnosti. Korišćenje novih digitalnih rešenja (Fintech and digital), kao što su nova rešenja u platnom prometu i kompanije sa trenutnim zajmom, verovatno će se uključiti u spajanja i preuzimanja sa tradicionalnim bankama radi povećanja njihove operativne efikasnosti.

U tom kontekstu, očekuje se da će se bankarske aktivnosti spajanja i preuzimanja povećati u drugoj polovini 2023. godine ili prvoj polovini 2024. godine.

U tabeli br. 2 autor u radu daje pregled rasta spajanja i preuzimanja banaka ključnih tržišta u svetu.

Tabela 2: Rast spajanja i preuzimanja banaka (u procentima) ključnih tržišta u 2020. godini

Nivo rasta	Tržišta
Ravan rast (0–5%)	Kanada, Argentina, Malezija i Francuska
Ograničeni rast (5–10%)	Čile, Brazil, US, Rusija, Kina, Tajland, Indonezija, Severna Afrika, UK i Nemačka
Stalan rast (10–15%)	Japan, Singapur, Australija i Italija
Snažan rast (15–25%)	Indija, Luksemburg, Španija i Švajcarska
Veoma jak rast (> 25%)	-------
Negativan rast <0%	Norveška i Centralna i Istočna Evropa

Izvor: Autor na osnovu podataka, KPMG International, Standing firm on shifting sands home. kpmg/dealsinstitute Global banking M&A outlook H2 2020

Ravan rast (0–5%) spajanja i preuzimanja banaka bio je u Kanadi, Argentini, Maleziji i Francuskoj, dok se ograničeni rast (5–10%) spajanja i preuzimanja banaka beleži u Čileu, Brazilu, US, Rusiji, Kini, Tajlandu, Indoneziji, Severnoj Africi, UK i Nemačkoj.

Stalan rast (10–15%) spajanja i preuzimanja banaka bio je u Japanu, Singapuru, Australiji i Italiji, dok se snažan rast (15–25%) spajanja i preuzimanja banaka beležio u Indiji, Luksemburgu, Španiji i Švajcarskoj.

Veoma jak rast (> 25%) nije zabeležen u posmatranom periodu.

Zabeleženi negativni rast <0% aktivnosti bankarskih poslova zbog uticaja Covid-19 pandemije ostavio je značajan uticaj na Norvešku i zemlje Centralne i Istočne Evrope. Očekivano je da su u regionu velike banke manje ranjive u poređenju sa manjim bankama. Veći rizici, niže kamatne stope, oscilacije deviznog kursa imaće negativan uticaj na profitabilnost u bankama.

Tabela 3: Najbolje M&A banke u svetu u 2021. godini

Globalno	Citi
Afrika	Absa
Azija Pacifik	Citi
Centralna i Istočna Evropa	Sberbank
Latinska Amerika	Itau BBA
Srednji istok	Standard Cartered
Severna Amerika	Goldman Sachs
Zapadna Evropa	UBS

Izvor: Karen Kroll, World's Best Investment Banks 2021: M&A, 2021.

Manja profitabilnost, slabiji kvalitet aktive i manji rast kredita mogu imati drugi krug efekata na realnu ekonomiju i ugroziti finansijsku stabilnost. (WB, 2020) Ključne odluke u vezi sa spajanjem i preuzimanjem banaka (M&A), aktivnostima, da li će biti spajanja i preuzimanja banaka očekuju se u drugoj polovini 2023. i do 2024. godine. (Deloitte, 2023) Nešto više od 5% banaka u procesu spajanja i preuzimanja je bilo u 2019. godini, prema podacima S&P GMI (Stovall, 2020); očekivani porast od 5,35% bio je u 2020. godini, posebno pošto je 2019. godina bila otežana slabijim procenama. Prva polovina 2019. dala je najmanje poslova za spajanja i preuzimanja (M&A) u bankama od prve polovine 2013. godine, ali procene aktivnosti i procena deonica banaka znatno su se oporavile u drugoj polovini godine, stvarajući pozitivan trend u smeru ka 2023. godini.

4. ZAKLJUČAK

Na osnovu svega navedenog u radu, autor dolazi do sledećih zaključaka. Šok koji su Covid-19 pandemija i kriza u Ukrajini 2022. godine izazvali u finansijskom sektoru širom sveta predstavlja najozbiljniju pretnju, još od svetske ekonomske krize, 2008. godine. Banke su, bez obzira na turbulencije na finansijskim tržištima dovoljno likvidne i profitabilne.

Zahvaljujući strožim pravilima o regulatornom kapitalu i imovini ponderisanoj rizikom, standardima Bazela III, stub 1, koja je uvedena nakon svetske ekonomske krize od strane Bazelskog komiteta za bankarsku superviziju u okviru Banke za međunarodna poravnanja u Bazelu (BIS), banke su dobro kapitalizovane i bile spremne na šok. Na osnovu podignutih standarda banke su mogle da izdrže sve potencijalne stresove koje su dešavanja na finansijskim tržištima izazvala, a sve šokove ublažile dobrom kapitalizovanošću. Istovremeno, hronično niska profitabilnost bankarskog sektora u nekim ekonomijama mogla bi da umanji njihovu sposobnost širenja bilansa stanja. Tokom protekle decenije povraćaj aktive evropskih banaka je tri puta manji u poređenju sa prosekom za svet kao celinu. Dalji tok samog uticaja narednih šokova na samo bankarsko poslovanje autor će pratiti i u svojim daljim istraživanjima prikazati.

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SCIENTIFIC PAPER –
– EMPIRICAL RESEARCH

UDC 336.71

Banking Merger and Acquisition (M&A) Caused by Changes in Financial Markets*

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Received: 25.09.2024.
Accepted: 16.11.2024.
Published: 27.12.2024.

Summary: *Changes in the financial market caused by Covid-19 and the crisis in Ukraine in 2022 led to great turbulence in the world economy. Some areas are more and some less affected by the new situation. In addition to the impact of Covid-19 and the crisis in Ukraine on the entire financial sector, the impact on bank mergers and acquisitions (M&A) should not be overlooked, both in the Republic of Serbia and in the world.*

In the paper, the author gives an overview of bank mergers and acquisitions (M&A) in the Republic of Serbia and in the world. Based on available data and reports from relevant financial institutions, an overview of the impact of Covid-19 and the crisis in Ukraine in 2022 on bank mergers and acquisitions (M&A) is given. In order to draw adequate conclusions, the data used in the paper are official data from the World Bank (WB), the Bank for International Settlements (BIS) in Basel, Deloitte, KPMG, as well as data from the National Bank of Serbia (NBS).

Keywords: *bank mergers and acquisitions (M&A), credit risk, COVID 19, crisis in Ukraine, financial markets*

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* This paper is part of the results of research on project U 01/2023 Green economy in the era of digitization, Faculty of Finance, Banking and Auditing, Alpha BK University in Belgrade.

INTRODUCTION

Despite low interest rates, combined with the significant impact of the Covid-19 pandemic and the 2022 Ukraine crisis, the profitability of banks in the observed markets has not decreased significantly. Banks are relinquishing interest income but redirecting their revenues toward fees and a high volume of online transactions. A noticeable increase in the use of online banking services has reduced transaction processing costs while simultaneously increasing fees for these services. Until 2020, transaction fees for online applications and other digital services were free for all users; however, today, depending on the type of package offered by individual banks, fees are charged for each online transaction. Although service fees are slightly lower compared to in-person banking transactions, the cost banks incur in processing online transactions remains very low. One of the key impacts of the Covid-19 pandemic and the Ukraine crisis, which began in 2022, on the global economy is the elevated credit risk faced by banks. A significant threat stems from non-performing loans, both from individuals and businesses. Governments have implemented measures to safeguard their economies by offering various incentives to individuals and businesses, enabling them to repay their loans within agreed timeframes or take advantage of moratoriums on loans to ease financial burdens during crises.

To keep credit risk under control and ensure continued financing of the real economy while supporting its recovery, banks have been urged to follow the recommendations of their central banks. This approach aims to mitigate imminent shocks in the short term, while longer-term impacts require more robust credit risk management and stricter regulatory measures (BIS, 2020). Within the standards and procedures for measuring and controlling risk in banking operations, specific processes pertain to credit risk (Ljubić, 2015).

Moreover, due to the impact of the Covid-19 pandemic on banking operations and the overall reduction in economic activity, banks have been compelled to increase capital reserves for credit losses, which negatively affects the quality of loans. Banks are already facing the potential rise in non-performing loans, as highlighted in BIS reports (BIS, 2020).

The significant turbulence in financial markets caused by the Covid-19 pandemic and the 2022 Ukraine crisis has led to major shifts in the global economy. Some sectors have been more affected than others by the evolving circumstances. It is also crucial to consider the impact on bank mergers and acquisitions (M&A), both in the Republic of Serbia and globally.

METHODS AND SUBJECT OF RESEARCH

The research methods used in the paper include descriptive analysis, the methods of induction and deduction, as well as content analysis of available literature and the defined subject and objectives of the research. To obtain adequate research results, the paper utilizes official data from the World Bank (WB), the Bank for International Settlements (BIS) in Basel, Deloitte, KPMG, and the National Bank of Serbia (NBS). All data used in the study are presented in annual time series.

RESEARCH RESULTS AND DISCUSSION

The process of bank mergers and acquisitions (M&A) in Serbia has been intensive over the past ten years, and despite the Covid-19 pandemic and the Ukraine crisis in 2022, this trend has continued in recent years. Table 1 provides an overview of bank mergers and acquisitions (M&A) in Serbia from 2015 to 2023.

The impact of the 2022 Ukraine crisis on the banking sector of the Republic of Serbia has been less pronounced compared to most European countries. This is due to maintained macroeconomic and financial stability, previously achieved dynamic economic growth, the structure of the domestic economy, available fiscal space, and a timely and comprehensive package of measures to support businesses and households. Thanks to the efficient intervention of the National Bank of Serbia, the transmission of external shocks caused by the escalation of the conflict in Ukraine to the domestic banking sector was prevented, as well as any potential spillover of risks that could have negatively affected the banking sector.

Table 1 List of mergers and acquisitions (M&A) of banks in Serbia from 2015 to 2023

Year	Target	Acquirer	% Ownership	Earnings (EUR mn)	Seller
2023	Expobank	Adriatic Bank a.d.	100%	n.a.	Expobank
2022	Sberbank Srbija a.d. Beograd	Agroindustrijska komercijalna banka AIK a.d. Beograd	100%	n.a.	Sberbank Srbija a.d. Beograd
2022	Komercijalna banka a.d. Beograd	NLB Komercijalna banka AD Beograd	100%	n.a.	Komercijalna banka a.d. Beograd
2021	Sper banka	AIK banka	100%	n.a.	Sper banka
2020	Opportunity banka a.d. Novi Sad	3 Banka akcionarsko društvo Novi Sad	100%	n.a.	Opportunity banka a.d. Novi Sad
2019	OTP Banka Srbija a.d. Novi Sad	Vojvođanska banka a.d. Novi Sad	100%	n.a.	OTP Banka Srbija a.d. Novi Sad
2018	Piraeus Bank AD Beograd	Direktna Banka	100%	58	Piraeus Bank
2018	Telenor Banka	River Styxx Capital	85%	n.a.	Telenor ASA
2017	Vojvođanska banka a.d.	OTP	100%	125	National Bank of Greece
2017	Alpha Bank Srbija AD	MK Group d.o.o.	100%	n.a.	Alpha Bank
2016	Findomestic Banka a.d. Beograd	Direktna Banka	100%	n.a.	Findomestic Banca SpA
2017	Marfin Bank A.D. Beograd	Expobank	100%	14.8	Cyprus Popular Bank Public Co Ltd.
2015	Čačanska Banka AD	Turkiye Halk Bankasi	76.7%	10.1	EBRD; State; IFC; Beogradska Banka

Source: Author based on Deloitte and National Bank of Serbia reports

During the Covid-19 pandemic, the banking sector in the Republic of Serbia maintained the trend observed before 2019. Compared to 2019, when 26 banks were operating in Serbia at the end of the fourth quarter (NBS data), by 2023, six fewer banks remain operational. The trend for 2024 can be predicted based on previous years. In line with the above, it can be concluded that no significant changes are expected in Serbia's banking market.

In addition to the impact of the Covid-19 pandemic and the Ukraine crisis, which began in 2022, on the entire financial sector, the effect on global bank mergers and acquisitions (M&A) must also be considered. After a decade of record-breaking M&A activity, the banking industry is now facing substantial disruptions.

The KPMG report (2020) highlights eight key impacts of the Covid-19 pandemic on global bank M&A activities:

1. Acceleration of global domestic consolidation.
2. Increased rescue and restructuring transactions.
3. Growth in non-performing loans (NPLs) may outpace loan growth.
4. Corporations will need to reassess their investment plans.
5. Fintech acquisitions by traditional market participants.
6. Recovery from distress and distressed acquisitions.
7. Specialized finance and challenger banks.
8. Incentives for digital solutions.

The Covid-19 pandemic presents an opportunity to promote greater use of digital capabilities. The adoption of new digital solutions (Fintech and digital), such as innovations in payment systems and instant loan providers, will likely be integrated into M&A activities with traditional banks to enhance operational efficiency.

In this context, banking M&A activity is expected to increase in the second half of 2023 or the first half of 2024.

Table 2 provides an overview of the growth in bank mergers and acquisitions in key global markets.

Table 2 Growth of bank mergers and acquisitions (in percentages) of key markets in 2020

Growth Level	Markets
Flat Growth (0–5%)	Canada, Argentina, Malaysia, and France
Limited Growth (5–10%)	Chile, Brazil, US, Russia, China, Thailand, Indonesia, North Africa, UK, and Germany
Steady Growth (10–15%)	Japan, Singapore, Australia, and Italy
Strong Growth (15–25%)	India, Luxembourg, Spain, and Switzerland
Very Strong Growth (>25%)	-------
Negative Growth (<0%)	Norway and Central and Eastern Europe

Source: Author based on KPMG International, Standing firm on shifting sands home.kpmg/dealsinstitute Global Banking M&A outlook H2 2020

Flat growth (0–5%) in bank mergers and acquisitions was observed in Canada, Argentina, Malaysia, and France, while limited growth (5–10%) was recorded in Chile, Brazil, the US, Russia, China, Thailand, Indonesia, North Africa, the UK, and Germany.

Steady growth (10–15%) in bank mergers and acquisitions occurred in Japan, Singapore, Australia, and Italy, while strong growth (15–25%) was observed in India, Luxembourg, Spain, and Switzerland.

Very strong growth (>25%) was not recorded during the observed period.

The negative growth (<0%) in banking activities due to the impact of the Covid-19 pandemic had a significant effect on Norway and the countries of Central and Eastern Europe. It is expected that large banks in the region are less vulnerable compared to smaller banks. Higher risks, lower interest rates, and exchange rate fluctuations will have a negative impact on profitability in banks.

Table 3: Top M&A Banks in the World in 2021

Region	Bank Name
Global	Citi
Africa	Absa
Asia Pacific	Citi
Central and Eastern Europe	Sberbank
Latin America	Itau BBA
Middle East	Standard Chartered
North America	Goldman Sachs
Western Europe	UBS

Source: Karen Kroll, World's Best Investment Banks 2021: M&A, 2021.

Lower profitability, poorer asset quality, and slower credit growth can have a second-round effect on the real economy and jeopardize financial stability. (WB, 2020) Key decisions regarding bank mergers and acquisitions (M&A) and whether there will be bank mergers and acquisitions are expected in the second half of 2023 and up to 2024. (Deloitte, 2023) Just over 5% of banks were involved in mergers and acquisitions in 2019, according to S&P GMI data (Stovall, 2020); the expected increase of 5.35% was observed in 2020, particularly since 2019 had been hindered by weaker projections. The first half of 2019 saw the fewest mergers and acquisitions (M&A) in banks since the first half of 2013, but estimates of activity and bank stock projections significantly improved in the second half of the year, creating a positive trend toward 2023.

CONCLUSION

Based on the above findings, the author draws the following conclusions. The shock caused by the Covid-19 pandemic and the crisis in Ukraine in 2022 in the global financial sector represents the most serious threat since the global economic crisis of 2008. Banks, despite the turbulence in the financial markets, are sufficiently liquid and profitable. Thanks to stricter rules on regulatory capital and risk-weighted assets, the Basel III standards, Pillar 1, introduced after the global economic crisis by the Basel Committee on Banking Supervision under the Bank for International Settlements (BIS), banks are well capitalized and were prepared for the shock. Based on these elevated standards, banks were able to withstand all the potential stresses caused by the events in the financial markets and mitigate all shocks due to their strong capitalization. At the same time, the chronically low profitability of the banking sector in some economies could reduce their ability to expand their balance sheets. Over the past decade, the return on assets for European banks has been three times lower compared to the global average. The further impact of future shocks on banking operations will be monitored by the author and presented in future research.

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