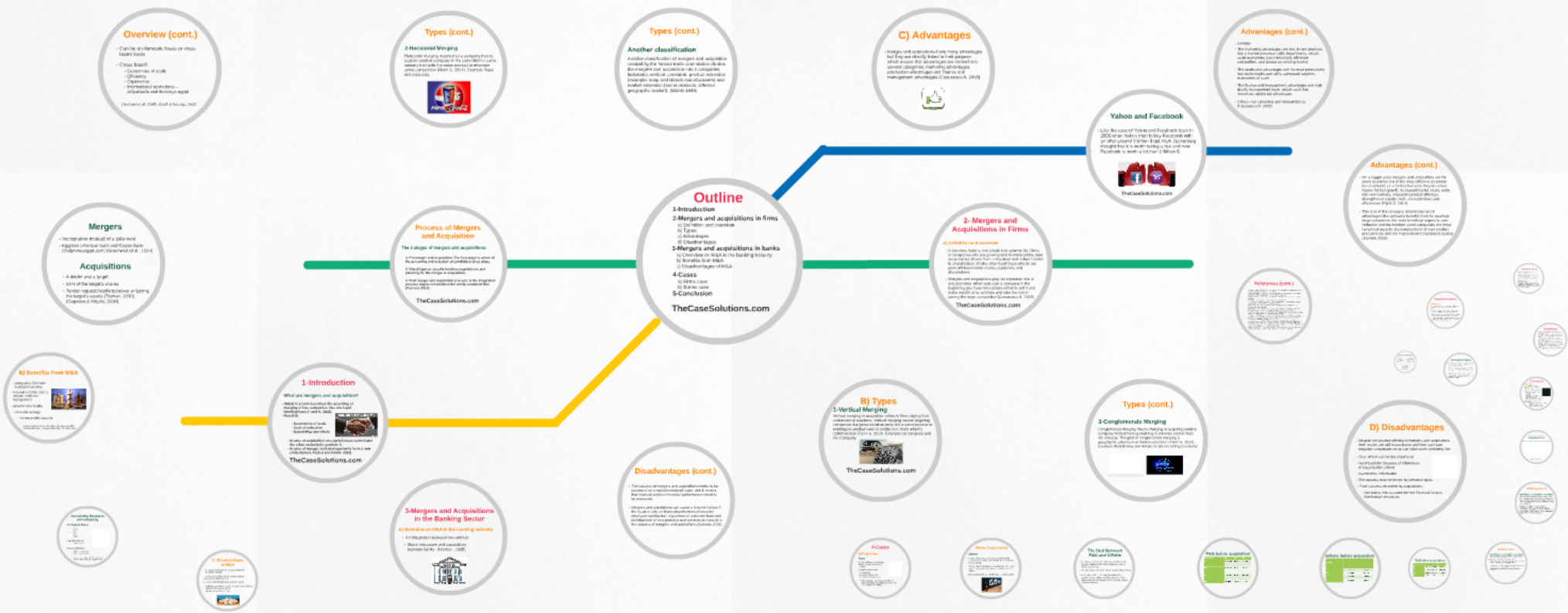


Unity Bank: Realizing Value From an M&A Integration

TheCaseSolutions.com

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Overview (cont.)

- Can be an ethical issue or moral issue
- Ethics issues:
 - Governance of scale
 - Opaques
 - Opaques
 - Information asymmetry
 - Asymmetrically distributed information

(Hendriks et al., 2008; Stuart & Hirsch, 2007)

2 Horizontal Mergers

Horizontal mergers occur when companies in the same industry or market combine. This can be done through a takeover, merger, or acquisition.

Example: The merger of Citicorp and PNC Financial Services Group in 2008.

Types (cont.)

Another classification

Another classification of mergers and acquisitions is based on the nature of the business. This classification is based on the nature of the business, the nature of the industry, and the nature of the market.

C) Advantages

- Savings and cost reduction from many advantages

For any one identity there is the potential to gain from the advantages of a merger. This is because the advantages of a merger are often realized through the realization of synergies and economies of scale.

Advantages (cont.)

The advantages of mergers and acquisitions are:

- Increased efficiency and productivity
- Reduced costs
- Increased market power
- Increased innovation
- Increased risk taking

Yahoo and Facebook

Yahoo and Facebook merged in 2012. The merger was a combination of the two companies. The merger was a combination of the two companies. The merger was a combination of the two companies.

Advantages (cont.)

The advantages of mergers and acquisitions are:

- Increased efficiency and productivity
- Reduced costs
- Increased market power
- Increased innovation
- Increased risk taking

Mergers

- The combination of two or more entities into a single entity

Acquisitions

- The purchase of one company by another company

B) Benefits from M&A

- Increased efficiency and productivity

- Reduced costs

- Increased market power

- Increased innovation

- Increased risk taking

1-Introduction

What are mergers and acquisitions?

Mergers and acquisitions are the processes by which two or more companies combine to form a single entity.

B) Types

1-Vertical Mergers

Vertical mergers occur when companies in the same industry combine. This can be done through a takeover, merger, or acquisition.

Types (cont.)

3-Conglomerate Mergers

Conglomerate mergers occur when companies in different industries combine. This can be done through a takeover, merger, or acquisition.

D) Disadvantages

- Loss of jobs

- Loss of identity

- Loss of culture

- Loss of control

- Loss of customer loyalty

Disadvantages (cont.)

The disadvantages of mergers and acquisitions are:

- Loss of jobs
- Loss of identity
- Loss of culture
- Loss of control
- Loss of customer loyalty

3-Mergers and Acquisitions in the Banking Sector

Mergers and acquisitions in the banking sector are common. This is because the banking industry is highly competitive and has a high barrier to entry.

Acquiring Bankers

- The companies that acquire other companies

1-1 Introduction

What are mergers and acquisitions?

A-Cases

Examples of mergers and acquisitions in the banking sector.

2-1 Introduction

What are mergers and acquisitions?

The Bank of America and Citicorp

The merger of Citicorp and Bank of America in 2008.

2-2 Introduction

What are mergers and acquisitions?

2-3 Introduction

What are mergers and acquisitions?

2-4 Introduction

What are mergers and acquisitions?

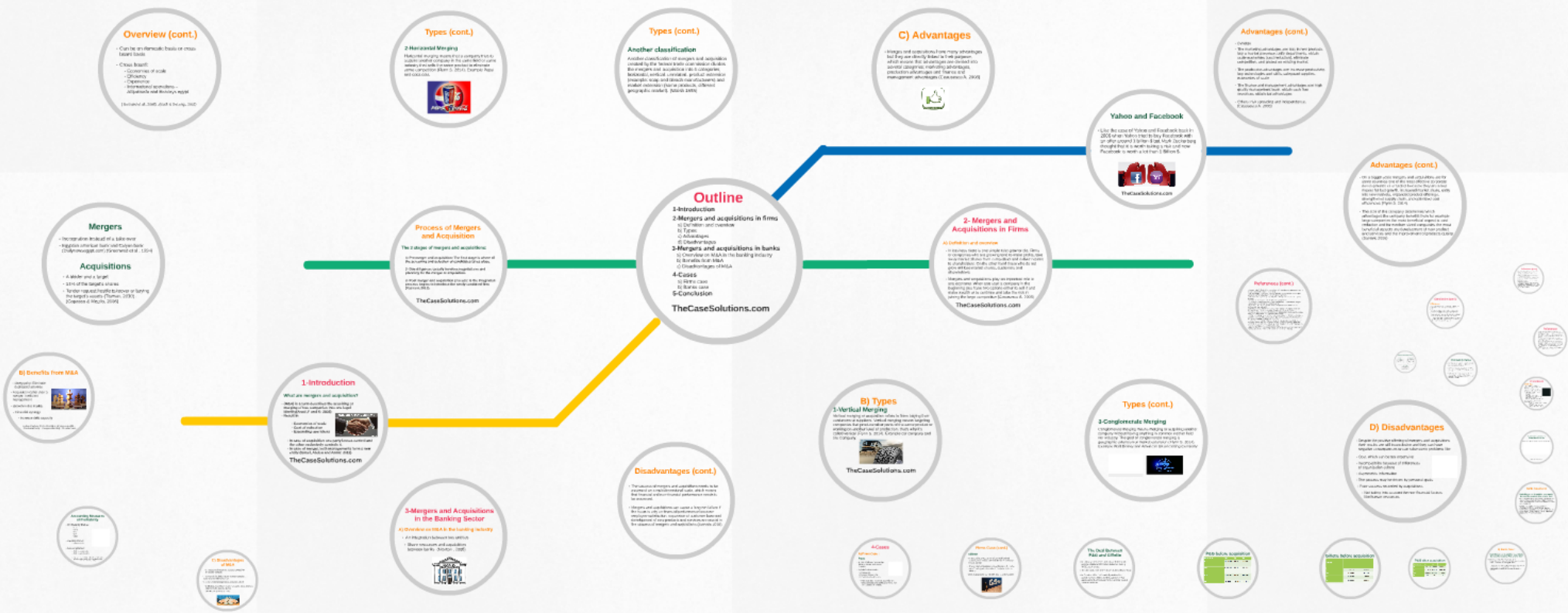
2-5 Introduction

What are mergers and acquisitions?

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Outline

1-Introduction

2-Mergers and acquisitions in firms

- a) Definition and overview
- b) Types
- c) Advantages
- d) Disadvantages

3-Mergers and acquisitions in banks

- a) Overview on M&A in the banking industry
- b) Benefits from M&A
- c) Disadvantages of M&A

4-Cases

- a) Firms case
- b) Banks case

5-Conclusion

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1-Introduction

What are mergers and acquisition?

- (M&A) is a term describes the acquiring or merging of two companies into one legal identity(Araci ,F and K: 2002)
- Result in
 - Economics of scale
 - Cost of reduction
 - Expanding operations
- In case of acquisition one party losses control and the other exclusively controls it.
- In case of merger, both managements form a new entity (Ismail, Abdou and Annis: 2011)



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Process of Mergers and Acquisition

The 3 stages of mergers and acquisitions:

1- Pre-merger and acquisition: The first stage is where all the screening and selection of candidates takes place.

2- Due diligence: usually involves negotiations and planning for the merger or acquisition.

3- Post merger and acquisition process: is the integration process begins to introduce the newly combined firm (Vazirani, 2013).

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2- Mergers and Acquisitions in Firms

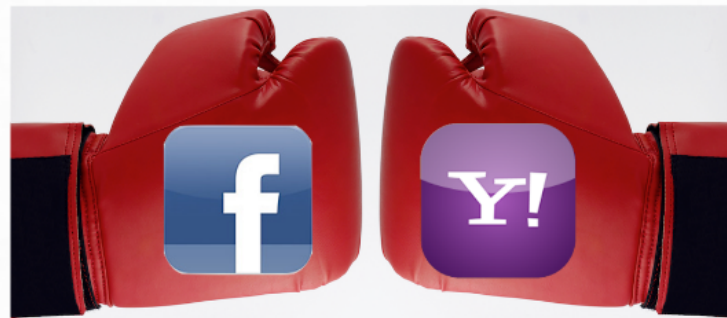
A) Definition and overview

- In business there is one simple rule: grow or die. Firms or companies who are growing tend to make profits, take away market shares from competitors and deliver returns to shareholders. On the other hand those who do not grow will lose market shares, customers and shareholders
- Mergers and acquisitions play an important role in any economy. When you start a company in the beginning you have two options either to sell it and make wealth or to continue and take the risk in joining the large competition (Ceaulescu A. 2008)

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Yahoo and Facebook

- Like the case of Yahoo and Facebook back in 2006 when Yahoo tried to buy Facebook with an offer around 1 billion \$ but Mark Zuckerberg thought that it is worth taking a risk and now Facebook is worth a lot than 1 Billion \$.



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B) Types

1-Vertical Merging

Vertical merging or acquisition refers to firms buying their customers or suppliers. Vertical merging means targeting companies that produce other parts of the same product or working on another level of production, that's why it's called vertical (Flynn S. 2014). Example car company and tire Company.



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