ABSTRACT

BAMBANG MULYANA. Mergers and Acquisitions Bank in Indonesia During 1995-2008. Under direction of BUNASOR SANIM, NOER AZAM ACHSANI, and ADLER H. MANURUNG.

This study is intended to investigate three problems in bank mergers and acquisitions. First, to investigate the determinants of mergers and acquisitions bank in Indonesia during 1995-2008. Second, to analyse the performance after these corporate actions, and third, to analyse the achieved synergy. Study about determinant of bank mergers and acquisitions is to investigate the internal and external factors. Study about financial performance refers to capital, asset quality, management, earning, liquidity, and sensitivity to market risks (CAMELS) approach by distinguishing before and after merger and acquisition, whereas study about synergy applies sustainable growth and economic value added approach. Mergers and acquisitions bank in Indonesia before regional financial crises era (before 1999) was mainly driven by internal determinant, whereas after 1999 both internal and external determinants were the caused. The internal determinant which was consistently appeared in both periods is non performing loan (NPL). Meanwhile, in case of bank acquisition the internal determinant was the only cause. Study regarding post-merger financial performance found that there are no significantly different on capital, assets quality, and management factors, fluctually performance on earning factors, and no significantly different on liquidity and sensitivity to market risk factors. Study on financial performance after acquisition found that there are no significantly different to all CAMELS factors. Study regarding synergy with sustainable growth analysis found that one of eleven post-merger banks has shown negative coefficient regression, whereas on acquired banks, six out of nine banks has positive. Meanwhile in economic value added analysis on eleven post-merger banks, seven banks have positive coefficient regression while four banks have negative. From nine acquired banks, six banks have positive coefficient regression, while three banks have negative.

Keywords: mergers and acquisitions, bank, determinant, performance, synergy