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BANK'S FINANCIAL PERFORMANCE BEFORE AND AFTER ACQUISITION BY FOREIGN INVESTORS AND DOMESTIC INVESTORS

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Abstract

Acquisition is a merger by means of taking over shares or assets of another company with the aim of increasing core capital. The purpose of this study is to determine and analyze the financial performance of the bank before and after being acquired by foreign and domestic investors in the period 2002-2011. This study uses the RGEC method which consists of a Risk Profile, Good Corporate Governance, Earnings, and Capital. The sampling technique is to use saturated samples, so that the sample = population is 7 banks and the paired sample is used as a test tool. The results of the analysis show that banks acquired by foreign investors on the measuring instruments of NPL, LDR, ROA, ROE, BOPO, except NIM and CAR, are better than banks acquired by domestic investors.

Keywords: Acquisition, Banks, Risk Profile, Good Corporate Governance, Earnings, and Capital.

Introduction

Acquisition is a very interesting topic to discuss and research to date. Tamosiuniene and Duksaite (2009) said that mergers and acquisitions have become a common business strategy as many potential benefits mainly focus on increasing shareholder profits and value can be obtained through economies of scale, expanding the use of existing resources, product expansion, and risk diversification. In business terminology, an acquisition is defined as a takeover of a bank's shares or assets by another bank, and in the event that either a bank takeover or one is taken over still exists as a separate legal entity (Hadiningsih, in Kurniawan, 2011).

In the banking world every bank undertakes management measures to strengthen capital and achieve efficiency in maintaining its business continuity. Currently one of the alternatives to maintain the company and increase capital is by combining between banks. The acquisition is a strategic decision of the bank in order to increase the economic value obtained by the takeover of share control over the acquiring bank with the aim of adding the bank's core capital. According to Wiagustini (2010) the bank's motive for making acquisitions is an economic motive that occurs with the creation of synergy which means that the combination of the two banks is greater than the summation of each company's combined value. Whereas according to Brigham and Houston (2010), synergy itself can arise from four sources, namely (1) operating savings, resulting from economies of scale in management, marketing, production or distribution; (2) financial savings, which include lower transaction costs and better evaluation by securities analysts; (3) differences in efficiency, which means that the management of one of the banks, more efficient and weak bank assets will be more productive after the acquisition and (4) increased market mastery due to reduced competition.

Table 1.

No	Tanggal	Bank Yang Mengakuisisi	Bank Yang di Akuisisi
1	12 Juni 2009	PT. Bank Central Asia, Tbk (BCA)	PT. Bank Utama Internasioanal Bank (Bank UIB) dan mengganti nama menjadi PT. Bank BCA syariah
2	3 Maret 2011	PT. Bank Rakyat Indonesia (BRI)	PT. Bank Agroniaga, Tbk dan mengganti nama menjadi PT. Bank Rakyat Indonesia Agroniaga (BRI Agro)
3	19 Desember 2007	PT. Bank Rakyat Indonesia (BRI)	Bank Jasa Arta dan mengganti nama menjadi PT. Bank BRI syariah
4	Tahun 2009	HSBC	PT. Bank Ekonomi Raharja, Tbk dan mengganti nama menjadi PT. Bank HSBC Indonesia
5	17 Desember 2007	ACOM CO., LTD. Japan (ACOM) dan The Bank Of Tokyo Mitsubshi UFJ, Ltd. (BTMU)	Bank Nusantara Parahyangan
6	Tahun 2003	Asia Finance (Indonesia) Pte. Ltd.	PT. Bank Danamon
7	Tahun 2002	CIMB Group	PT. Bank CIMB niaga Tbk.

Theoretical Studies

According to Financial Accounting Standard (PSAK) Number 31, the ank is an institution that acts as a financial intermediary between parties that have excess funds and parties that require funds, as well as institutions that serve to facilitate payment traffic.

According to Stuart, the bank is one of the financial institutions that aims to provide credit, either by its own means of payment, with money obtained from others, by distributing new means of payment in the form of money giral.

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Acquisition comes from the words acquisitio (Latin) and acquistion (English), then literally an acquisition is buying or getting something or an object to add to something or an object that has been owned before. Acquisition in business terminology is defined as a takeover of ownership or control of a company's shares or assets by another company, and in the event that either a takeover or a takeover company remains as a separate legal entity (Moin, 2003).

Financial performance is an overview of the achievement of the company's success can be interpreted as the results that have been achieved for various activities that have been carried out. It can be explained that financial performance is an analysis conducted to see the extent to which a company has carried out using the rules of financial implementation properly and correctly (Fahmi, 2012). Revenue recognition ensures that all revenue generated in a period has been recognized. Attribution ensures that the load recorded in a period is only the load associated with that period. (Subramanyam and Wild 2008).

Bank Acquisition Objectives

The purpose of the acquisition is to prove the expansion and assets of the bank. According to Sudarsana (2011), in the neoclassical perspective, all decisions of the bank including acquisitions are made with the aim of maximizing the wealth of the bank's shareholders, in the perspective of the manager making acquisitions for several reasons. The purpose of the acquisition bank is as follows:

1. Bank BCA acquired Bank UIB which changed its name to Bank BCA Syariah. The acquisition process aims to establish a sharia commercial bank because BCA sees the potential of sharia banking business in Indonesia is quite promising and BCA's plan to develop the business.

2. Bank BRI acquires Bank Agroniaga which changed its name to Bank BRI Agro. The acquisition process aims to provide more value because BRI has been more focused on lending in the real sector, such as cooperatives or small and medium enterprises. Meanwhile, Agroniaga Bank takes care of agriculture and plantation sector.

3. Bank BRI acquired Bank Jasa Arta and changed its name to Bank BRI Syariah. The acquisition process aims to separate BRI sharia business units to stand alone into sharia banks.

4. HSBC acquired Bank Ekonomi Raharja which changed its name to Bank HSBC Indonesia. The acquisition process aims to expand its reach and contribute to the Indonesian economy.

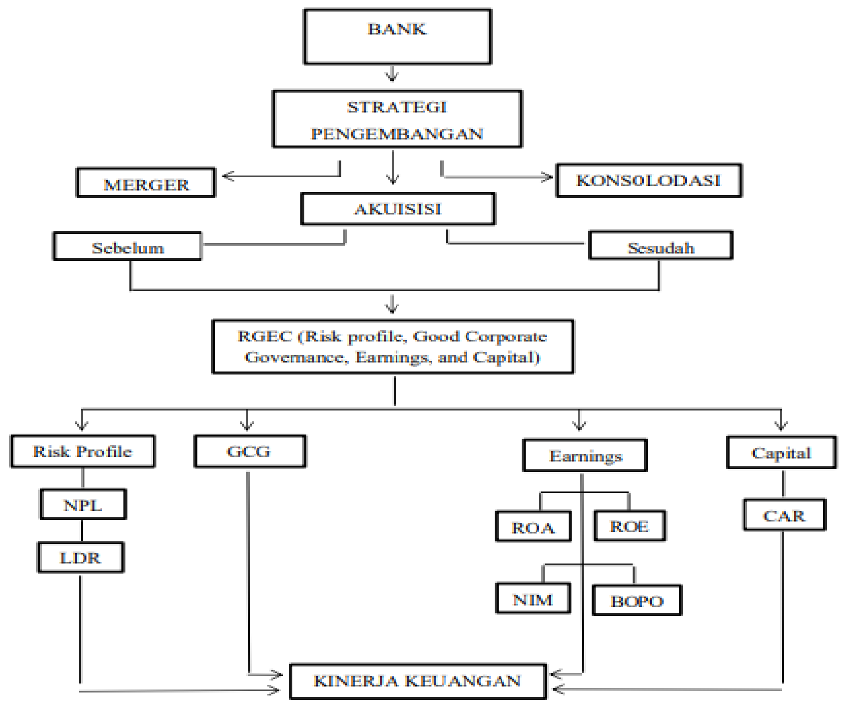
5. ACOM CO. Japan (ACOM) and The Bank Of Tokyo Mitsubshi UFJ (BTMU) acquired Bank Nusantara Parahyangan. The acquisition process aims to strengthen BNP's capital structure.

6. Asia Finance (Indonesia) Pte. Ltd. acquires Bank Danamon. The acquisition process aims to achieve maximum growth.

7. CIMB Group acquires Bank CIMB Niaga. The acquisition process aims to expand market share.

Conceptual Framework

Image 1.



Hypothesis

1. Differences in financial performance before and after acquisition by foreign investors and domestic investors from risk profile factors.

The results of Dewi and Purnawati (2016) showed that there was no significant difference between the financial performance of ROA, BOPO, LDR, and NPL before and after the acquisition of the bank before and after the acquisition. Based on that, the hypotheses proposed in this study are as follows:

H1: There is no difference to the NPL ratio before and after it is acquired by foreign investors and domestic investors

H2: There is no difference to the LDR ratio before and after it is acquired by foreign investors and domestic investors.

2.Differences in financial performance before and after acquisition by foreign investors and domestic investors from the Good Corporate Governance factor.

The results of the research of Prastyananta, Saifi, and Endang (2016) showed that there are differences in financial performance before and after the acquisition seen from the GCG aspect. Based on that, the hypotheses proposed in this study are as follows:

H3: There is a difference in the composite value of Good Corporate Governance before and after it is acquired by foreign investors and domestic investors.

2. Differences in Financial Performance Before and After Acquisition by Foreign Investors and Domestic Investors from Earnings Factors.

Research result of Amalia and Ika (2014); Faisal (2017) pointed out that there are differences in the ratio of CAR, NPL, ROA, NIM, BOPO, and LDR, ROE experienced improved performance in the period after mergers and acquisitions when compared to before mergers and acquisitions. Based on that, the hypotheses proposed in this study are as follows:

H4: There is a difference to the ratio of ROA before and after the acquisition by foreign investors and domestic investors

H5: There is a difference to roe ratio before and after acquisition by foreign investors and domestic invetor

H6: There is a difference to nim ratio before and after acquisition by foreign investors and domestic investors

H7: There is a difference to the bopo ratio before and after the acquisition by foreign investors and domestic investors.

4. Differences in Financial Performance Before and After Acquisition by Foreign Investors and Domestic Investors from Capital Factors.

The research of Amalia and Ika (2014) showed that the ratio of CAR differs significantly between before and after mergers and acquisitions. This means that the bank's performance in meeting its capital needs, becomes better with mergers and acquisitions with foreign ownership. Based on that, the hypotheses proposed in this study are as follows:

H8: There is a difference to the ratio of CAR before and after the acquisition by foreign investors and domestic investors.

RESEARCH METHODS

Research Object

According to Sugiyono (2012) the understanding of research objects is an attribute or trait or value of people, objects or activities that have certain variations set by researchers to be studied and then drawn conclusions. In this study, the authors conducted an analysis to look at the financial performance of banks acquired by foreign investors and domestic investors in the period 2002-2011.

Populations and samples

The population in this study are banks operating in Indonesia and have made acquisitions. There are 4 banks acquired by foreign investors and 3 banks acquired by domestic investors. Sampling technique is to use saturated samples, so that the sample = population is 7 banks.

Measuring Instruments

This research uses RGEC method in accordance with OJK decision consisting of Risk Profile, Good Corporate Governance, Earnings, and Capital, consists of eight measuring instruments as follows:

1. Risk profile among the eight risks, credit risk and liquidity risk used in this study.

- Credit Risk

$$NPL = \frac{Total\ Non\ Performing\ Loans}{Total\ Credit} X\ 100\%$$

- Liquidity Risk

$$LDR = \frac{Credits\ Awarded}{Total\ Third\ Party\ Funds} X\ 100\%$$

2. Corporate Governance is reviewed in terms of the fulfillment of GCG principles. GCG is the management department of CAMELS but has been refined. The bank takes into account the impact of the company's GCG on the bank's GCG performance taking into account the significant and materiality of its subsidiaries and the significance of the weakness of GCG subsidiaries. GCG factor ranking is categorized into 5 ratings, namely rank 1, rank 2, rank 3, rank 4, rank 5. The smaller sequence of GCG factors reflects the better implementation of bank GCG.

3. Rentability (Earnings), using Return on Assets, Return on Equity, Net Interest Margin, and Operating Expenses to Operating Income..

- Return on Assets

$$ROA = \frac{Profit\ Before\ Tax}{Total\ Assets} X\ 100\%$$

- Return on Equity

$$ROE = \frac{Net\ Profit}{Total\ Assets}\ X\ 100\%$$

- Net Interest Margin

$$NIM = \frac{Interest\ Income - Interest\ Expense}{Productive\ Assets} X\ 100\%$$

- Operating Expenses to Operating Income

$$BOPO = \frac{Total\ Operating\ Expenses}{Total\ Operating\ Income} X\ 100\%$$

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4. Capital measured using capital adequacy ratio formula

- Capital Adequacy Ratio

$$CAR = \frac{Capital}{Weighted\ Reduce\ Risk} X\ 100\%$$

Research Design

This research includes comparative research, which is distinguishing before dah after corporate action. The study compared the differences in the financial performance of banks acquired by foreign and domestic investors, using historical data derived from the bank's financial statements studied.

Data Analysis

Steps in data processing in this study:

1. Collect data in the form of bank financial statements that are passed indirectly by downloading financial statements from the bank's official website.

2. Group the data based on the variables used.

3. Perform paired sample t test if in normal distribution test the data used is distributed normally.

Statistical testing, this test is conducted by testing the financial ratios before and after the acquisition, the results of this test are expected to know if there are noticeable differences in financial performance between the Bank before making an acquisition and after making an acquisition.

Results and Discussion

Overview of Research Objects

The object in this study is a banking company as a research object because the company conducts acquisition activities. In this study, the acquisition period was selected in 2002-2011 with the number of banks as many as 7 banks (data sahamok) acquired by foreign investors and domestic investors.

Table 2.

NO	NAMA BANK	DIAKUISISI
1	Bank BCA Syariah	DOMESTIK
2	Bank Bri Agroniaga	
3	Bank Bri Syariah	
4	Bank HSBC Indonesia	ASING
5	Bank Nusantara Parahyangan	
6	Bank Danamon	
7	Bank CIMB Niaga	

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This study aims to determine the difference in financial performance with the ratio of Non Performing Loan, Loan to Deposit Ratio, Good Corporate Governance, Return On Assets, Return On Equity, Net Interest Margin, Operating Expenses to Operating Income, Capital Adequacy Ratio in the Bank's research before and after the acquisition by foreign and domestic investors in the period 2002-2011.

The data used is secondary data in the form of financial statements and summary of the company's performance taken from the website of Bank Indonesia, OJK, www.idx.co.id, and the website of each bank that is sampled. The population in this study are banks that operate in indonesia and have made acquisitions. There are 4 banks acquired by foreign investors and 3 banks acquired by domestic investors. Sampling technique is to use saturated samples, so that the sample = population is 7 banks.

Descriptive Statistics

Descriptive statistics are done to get an overview of the data so that it is easier to read. In descriptive statistics are generally displayed the maximum, minimum, mean and standard deviation numbers. Descriptive Statistical Research Results

a. NPL

The minimum NPL value is generated by the Bank after it is acquired, namely Bank Nusantara Parahyangan by 0 in 2009. A maximum value of 73 was generated by the Bank prior to the acquisition, namely Bank CIMB Niaga of 38.10 in 2001. The average NPL value for the three years prior to acquisition was 6.6838 with a standard deviation of 7.8429. While the average npl value for the three years after acquisition was 3.1614 with a standard deviation of 3.16113. Standard deviation values greater than the average value showed the NPL data in this study varied.

b. LDR

The minimum LDR value is generated by the bank before it is acquired, namely Bank Danamon at 18.5 in 2000. The maximum value generated by the bank after its acquisition, namely Bank Nusantara Parahyangan amounted to 202.05 in 2010. The average LDR for the three years prior to its acquisition was 77.7433 with a standard deviation of 27.58183. While the average LDR value for the three years after it was acquired amounted to 95.9605 with a standard deviation of 39.04176. Standard deviation values that are smaller than the average value show the LDR data in this study did not vary.

c. ROA

The minimum ROA value generated by the Bank prior to the acquisition, namely Bank BRIAgro amounted to -0.11 in 2008. The maximum value generated by the Bank after the acquisition, namely Bank Nusantara Parahyangan amounted to 11.12 74 in 2009. The average ROA for the three years prior to its acquisition was 2.3419 with a standard deviation of 1.81621. While the average roa value for the three years after it was acquired amounted to 3.6462 with a standard deviation of 2.45488. Standard deviation values that are smaller than the average value show roa data in this study does not vary.

d. ROE

The minimum roe value is produced by the bank before it is acquired, namely Bank BRIAgro of -1.67 in 2008. The maximum value generated by the bank after the acquisition, namely Bank CIMB Niaga amounted to 81.45 in 2004. The average roe value for the three years before it was acquired was 22.6795 with a standard deviation of 17.34628. While the average value of ROE for the three years after its acquisition amounted to 24.5752 with a standard deviation of 21.47658. Standard deviation values that are smaller than the average value show roa data in this study does not vary.

e. NIM

The minimum value of NIM was generated by the bank prior to the acquisition, namely Bank CIMB Niaga of -0.40 in 2001. The maximum value generated by the bank prior to the acquisition, namely Bank CIMB Niaga amounted to 26.17 in 2000. NIM's average value for the three years prior to its acquisition was 9.6402 with a standard deviation of 6.93867. While the average value of NIM 75 for the three years after acquisition amounted to 7.1643 with a standard deviation of 2.96248. Standard deviation values smaller than the average value showed roa data in this study did not vary.

f. BOPO

The minimum BOPO value is generated by the bank after its acquisition, namely Bank Nusantara Parahyangan at 29.08 in 2009. The maximum value generated by the Bank prior to the acquisition, namely Bank CIMB Niaga amounted to 195.50 in 2001. The BOPO average for the three years prior to acquisition was 114.4305 with a standard deviation of 49.98945. While the average value of BOPO for the three years after the acquisition amounted to 89.6414 with a standard deviation of 46.24538. Standard deviation values that are smaller than the average value show roa data in this study does not vary.

g. CAR

The minimum value of CAR is generated by the Bank before it is acquired, namely Bank BCA Syariah at 10.45 in 2006. The maximum value generated by the bank prior to the acquisition, namely Bank Danamon amounted to 93.46 in 2001. The average value of CAR for the three years prior to its acquisition was 28.2786 with a standard deviation of 19.93556. While the average value of CAR for the three years after it was acquired was 24.89 with a standard deviation of 14,226. Standard deviation values smaller than the average value showed roa data in this study did not vary.

Normality Test

At the position before the acquisition of the LDR and ROA ratio is greater than 0.05 so it can be stated that the distribution of bank data before it was acquired for normal LDR of 0.054 and normal ROA of 0.121. For NPL, ROE, NIM, BOPO, CAR is smaller than 0.05 so it can be stated that the distribution of bank data before it is acquired for NPL, ROE, NIM, BOPO, CAR shows the data results are not distributed normally so in testing the average difference using homogeneity. For bank after acquisition shows that sig. ROA and NIM are greater than 0.05 so it can be stated that the bank after acquisition data distribution for normal ROA is 0.057 and normal NIM is 0.200. For NPL, LDR, ROE, BOPO, CAR is smaller than 0.05 so it can be stated that the distribution of bank data before being recognized for NPL, LDR, ROE, BOPO, CAR shows the data results are not distributed normally so that the average different tests use homogeneity.

Homogenity Test

Sig value. for LDR variables is 0.225, because of the sig value. 0.225>0.05, it can be concluded that the LDR data variant in the bank before and after the acquisition is homogeneous. Sig value. for ROA variables is 0.714, because of the sig value. 0.714>0.05, it can be concluded that the roa data variants in the bank before and after the acquisition are homogeneous. Sig value. for roe variables is 0.813, because the sig value. 0.0813 > 0.05, it can be concluded that roe variants in the bank before and after acquisition are homogeneous. Sig value. For BOPO variables it is 0.216, because of the sig value. 0.216>0.05, it can be concluded that the BOPO variant in the bank before and after the acquisition is homogeneous. Sig value. For CAR variables it is 0.311, because of the sig value. 0.311 > 0.05, it can be concluded that the CAR variant of the Bank before and after the acquisition is homogeneous. For NPL and NIM are insignificant at 0.05 (p > 0.05) which means the zero hypothesis cannot be rejected stating the same variance, meaning the ANOVA assumption is met. According to (Ghozali, 2011), if there is data that is not homogeneous, as long as the group has the same sample size then it is not fatal for ANOVA and analysis can still be continued.

Anova Test

The F value calculates at the NPL ratio of 9,895 with a probability of 0,003 which means p< 0.05 then the two sample groups have an NPL average that is no difference. Thus NPL accepts H0 and rejects H1 and LDR rejects H0 and receives H1, i.e. there is no difference and there is a significant difference from the risk profile indicator between the bank's financial performance before and after it is acquired by foreign and domestic investors.

The calculated F value in ROA is 3,831 with a probability of 0.057 which means p > 0.05 then both sample groups have an average ROA value that there is a difference (significant). While the value of F calculates on the ROE ratio of 0.099 with a probability of 0.755 which means p>0.05 then both sample groups have an average ROE value that there is a difference (significant). While the value of F calculated at the NIM ratio of 2,262 with a probability value of 0.140 which means p > 0.05 then both sample groups have an average NIM value that there is a difference (significant). Thus rejecting H0 to receive H2, i.e. there is a significant difference from the risk earning indicator between the bank's financial performance before and after the acquisition by foreign investors and domestic investors.

Test F calculates at BOPO ratio of 2,783 with a probability of 0.103 which means p > 0.05 then both sample groups have an average BOPO value that there is a difference (significant). While the value of f calculates the CAR ratio of 0.403 with a probability of 0.529 which means p > 0.05 then both sample groups have an average CAR value that there is a difference (significant). Thus refusing H0 to accept H3, there is a significant difference from the capital indicator between the bank's financial performance before and after the acquisition by foreign investors and domestic investors.

Kruskal Wallis Test

Sig value. NPL is 0.000 < 0.05. Thus it can be concluded that H0 is rejected and Ha is accepted which means there > is a noticeable (significant) difference between the bank before and after it is acquired. Sig value. NIM is 0.421 > 0.05 thus it can be concluded H0 is accepted and Ha rejected which means there is no noticeable (significant) difference between the banks before and after the acquisition. Sig value. CAR is 0.87 > 0.05 thus it can be concluded H0 is accepted and Ha is rejected which means there is no noticeable (significant) difference between the banks before and after the acquisition.

Paired Samples Test

Tabel 3.

		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1	NPL	3,52238	7,18282	1,56742	0,25280	6,79196	2,247	20	0,036
	LDR	-18,21714	39,62379	8,64662	-36,25368	-0,18061	-2,107	20	0,048
	ROA	-1,30429	2,41209	0,52636	-2,40225	-0,20632	-2,478	20	0,022
	ROE	-1,89571	27,89402	6,08697	-14,59292	10,80149	0,311	20	0,759
	NIM	2,47595	7,48789	1,63399	0,93249	5,88440	1,515	20	0,145
	BOPO	24,78905	65,533443	14,30078	-5,04187	54,61996	1,733	20	0,098
	CAR	3,39333	25.97658	5.66856	-8.43107	15.21773	0,599	20	0,556

From the data table above that NPL sig value. (2-tailed) is 0.036 < 0.05 then there is a significant difference between the bank before and after it is acquired. For LDR, sig. (2-tailed) value is 0.048 < 0.05 then there is a significant difference between the bank before and after it is acquired. Variable ROA value Sig. (2-tailed) is 0.022 < 0.05 then there is a significant difference between the bank before and after the acquisition. ROE sig value. (2-tailed) is 0.759 > 0.05 then there is no significant difference between the bank before and after the acquisition. NIM sig value. (2-tailed) was 0.145 > 0.05 then there was no significant difference between the banks before and after the acquisition. Variable BOPO sig value. (2-tailed) was 0.098 > 0.05 then there was no significant difference between the bank before and after the acquisition. Car Tool Sig value. (2-tailed) 0.556 then there was no significant difference between the bank before and after the acquisition.

Discussion

1. NPL

The highest NPL value achieved by the group of banks before the acquisition was 6.6838%, while the maximum value generated by the bank before it was acquired, namely Bank CIMB Niaga at 38.10% and the minimum value of NPL generated by the bank after it was acquired, namely Bank Nusantara Parahyangan by 0%. Banks before they are acquired have a higher NPL average than the bank average after they are acquired. The results of this statistical test indicate that the bank before it was acquired had a better financial performance as measured by NPL than the bank after it was acquired.

2. LDR

The highest LDR value was achieved by the bank group after it was acquired at 95.9605%, while the maximum LDR value was in the bank group after it was acquired, namely Bank Nusantara Parahyangan at 202.05% and the minimum LDR value was in the bank group before it was acquired, namely Bank Danamon at 18.5%. The table above shows the bank after acquisition has a higher LDR average than the LDR bank before acquisition average. The results of this statistical test indicate that bank after acquisition has a better financial performance as measured by LDR compared to bank before acquisition.

3. GCG

GCG measuring instruments before and after acquired by foreign investors and domestic investors have a balanced composite rate there is no significant difference

4. ROA

The lowest ROA value achieved by the bank group after it was acquired was 3.6462%, while the maximum value was in the bank group after it was acquired, namely Bank CI5MB Niaga at 81.45% and the minimum ROA value was in the bank before it was acquired, namely Bank BRIAgro of -0.11%. The bank after it is acquired has a higher average ROA than the average bank before it was acquired. The results of this statistical test indicate that the bank after the acquisition has a better financial performance as measured by ROA compared to the Bank Before Acquisition.

5. ROE

The lowest ROE value achieved by the bank group after it was acquired was 24.5752%, while the maximum value was in the bank group after it was acquired, namely Bank CIMB Niaga at 81.45% and the minimum ROE value was in the bank group before it was acquired, namely Bank BRIAgro at -1.67%. Bank after acquisition has a higher average ROE value than the average bank before it was acquired. The results of this statistical test indicate that the bank after

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its acquisition has a better financial performance as measured by ROE than the bank before it was acquired.

6. NIM
The lowest NIM value achieved by the bank group before it was acquired was 9.6402%, while the maximum value was in the bank group before it was acquired, namely Bank CIMB Niaga at 26.17% and the minimum value was also in the bank before it was acquired, namely Bank CIMB Niaga at -0.40%. Banks before they are acquired have a higher average NIM value than the bank average after they are acquired. The results of this statistical test indicate that the Bank before it was acquired had a better financial performance as measured by NIM compared to aank after it was acquired.

7. BOPO
The lowest BOPO value achieved by the group before it was acquired was 114.4305% while the maximum value was in the group before it was acquired, namely Bank CIMB Niaga at 195.50% and the minimum BOPO value was in the group after it was acquired, namely Bank Nusantara Parahyangan at 29.08%. Before it was acquired it had a higher than average BOPO than the average after it was acquired. The results of this statistical test indicate that the Bank before the acquisition had a better financial performance as measured by BOPO than after it was acquired.

8. CAR
The lowest CAR value achieved by the bank group before it was acquired was 28.2786% while the maximum CAR value was also in the bank group before it was acquired, namely Bank Danamon at 93.46%. The minimum BOPO value was also in the group of banks before it was acquired, namely Bank BCA Syariah at 10.45%. Banks before they are acquired have a higher average CAR than the average CAR after it is acquired. The results of this statistical test indicate that the bank prior to its acquisition had a better financial performance as measured by CAR than after it was acquired.

Industry Analysis

The following differences in financial performance after acquisition by domestic and foreign investors, in a period of three years:

Table 4.

Alat Ukur	Bank Terakuisisi Investor Domestik			Bank Terakuisisi Investor Asing		
	Sebelum	Sesudah	Perubahan	Sebelum	Sesudah	Perubahan
NPL	4,15%	2,06%	50,36%	8,73%	3,97%	54,52%
LDR	81,34%	82,44%	-1,35%	83,49%	107,04%	-28,20%
ROA	2,64%	2,24%	15,15%	2,44%	3,59%	-47,13%
ROE	19,63%	16,34%	16,76%	28,29%	30,74%	-8,66%
NIM	7,96%	7,53%	5,40%	9,43%	6,88%	27,04%
BOPO	85,62%	68,30%	20,22%	146,01%	105,66%	27,63%
CAR	16,15%	27,77%	-71,95	37,96%	22,76%	40,04%

Table 4 above can be explained that paba bank acquired by domestic investors was able to reduce the position of non-performing loans by 50.36%, while in banks acquired by foreign investors was able to reduce non-performing loans by 54.52%. Thus quantitatively banks acquired by foreign investors perform better than banks acquired by domestic investors in terms of improving NPL positions.

Banks acquired by domestic investors were able to increase loans disbursed by 1.35%, while banks acquired by foreign investors were able to increase loans disbursed by 28.20%. Thus banks acquired by foreign investors are able to be more expansive than banks acquired by domestic investors, meaning banks acquired by foreign investors are more trusted by depository customers. Quantitatively banks acquired by foreign investors are more accomplished than banks acquired by domestic investors on LDR measuring instruments.

Banks acquired by domestic investors decreased ROA by 15.15%, while in banks acquired by foreign investors ROA increased by 47.13%. Thus quantitatively banks acquired by foreign investors are more profitable and able to use their assets to generate maximum profit or profit than banks acquired by domestic investors.

Banks acquired by domestic investors decreased ROE by 16.76%, while banks acquired by foreign investors were able to increase ROE by 8.66% only. Thus quantitatively banks acquired by domestic investors are better at using their equity to generate profits than banks acquired by foreign investors.

At banks acquired by domestic investors, NIM decreased by 5.40%, while in banks acquired by foreign investors the decline was 27.04%. Thus quantitatively the bank acquired by the domestic is better than the bank acquired by foreign investors on the acquisition of NIM.

After being acquired by domestic investors BOPO improved by 20.22%, while in banks acquired by foreign investors the improvement reached 27.63%. Thus quantitatively banks acquired by foreign investors work more efficiently than banks acquired by domestic investors.

In banks acquired by domestic investors CAR increased by 71.95%, while in banks acquired by foreign investors decreased by 40.04%. Thus, it can be expected that domestic investors add more capital than foreign investors to the bank they own.

Conclusion

Based on the above analysis, conclusions are obtained:

1. NPL

Sig value. (2-tailed) was 0.036 < 0.05 then there was a significant difference between the bank before and after it was acquired by foreign and domestic investors.

2. LDR

The value of Sig. (2-tailed) is 0.048 < 0.05 then there is a significant difference between the bank before and after it is acquired by foreign and domestic investors.

3. GCG
before and after it is acquired by foreign investors and domestic investors has a balanced composite rate there is no significant difference

4. ROA
Sig. (2-tailed) value is 0.022 < 0.05 then there is a significant difference between banks before and after acquisition by foreign investors and domestic investors.

5. ROE
Sig. Value (2-tailed) is 0.759 > 0.05 then there is no significant difference between banks before and after acquisition by foreign investors and domestic investors.

6. NIM
Sig value. (2-tailed) was 0.145 > 0.05 then there was no significant difference between banks before and after acquisitions by foreign and domestic investors.

7. BOPO
Sig value. (2-tailed) was 0.098 > 0.05 then there was no significant difference between banks before and after acquisitions by foreign and domestic investors.

8. CAR
Sig value. (2-tailed) 0.556 > 0.05 there was no significant difference between banks before and after acquisitions by foreign and domestic investors.

The results of this study show that banks acquired by foreign investors in NPL, LDR, ROA, ROE, BOPO instruments except NIM and CAR, are better than banks acquired by domestic investors.

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