ABSTRACT

This study aims to analyze the different levels of efficiency in Banks before and after mergers or acquisitions in their group (differentiated by capital or Modal Inti: Buku I, Buku II, Buku III & Buku IV). To calculate the level of efficiency, this study uses Data Envelopment Analysis (DEA) method by estimating asset approach to determine variable inputs (price of labor, price of funds & price of physical capital) and variable outputs (related party loan, public loans & securities) of each Decision Making Unit (DMU) of Banks. This study used Basic Radial Model with input orientation and constant return to scale to calculate the efficiency. Sources of data were taken from secondary data in the form of financial statements for the period 2001 to 2020. The banking subject in this study is limited to banks listed on the Indonesia Stock Exchange (IDX) as of December 2020. The results of this study indicated that there are no significant differences in the level of efficiency of the banks listed on the Indonesia Stock Exchange (IDX) before and after mergers and acquisitions. This finding suggests that merger and acquisition strategies do not always result in a better level of efficiency. Caveats apply as the data used for this study is limited only for certain periods.

Keywords: *efficiency Bank, efficiency Data Envelopment Analysis, DEA, merger, acquisition*