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# THE EFFECTIVENESS OF MERGERS AND ACQUISITIONS (M&A) FOR BANKS IN MALAYSIA FROM PROFITABILITY PERSPECTIVE

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## ABSTRACT

This paper examines the relationship between the profitability of post mergers and acquisitions for banks in Malaysia and its determinants which is liquidity, level of leverage, asset management and investor returns using Pooled Ordinary Least Square (OLS) and Breusch Pagan Test (BP). The relationship among those variables is gathered and investigated by using annual financial statement of companies from year 2000 to 2010. The researcher focused on that particular period of study because the performance of banks in Malaysia is growing rapidly prior to year 1999.After completed the analysis by using Pooled Ordinary Least Square (OLS) and Breusch Pagan Test (BP), the findings shows that the level of debt, asset management and earning per share have a positive relationship towards the profitability of the company. Only one variable which is liquidity have negative relationship towards the profitability of the company.