



**UNIVERSITI TEKNOLOGI MARA**

**THE EFFECT OF MERGERS AND  
ACQUISITION ON THE FINANCIAL  
PERFORMANCE: A CASE STUDY  
OF HONG LEONG BANK BERHAD**

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Thesis submitted in fulfilment  
Of the requirements for the degree of  
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## AUTHOR'S DECLARATION

I declare that the work in this project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as references work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplies with the Academic Rules and Regulations for Universiti Teknologi MARA, regulating the conduct of my study and research.

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## ABSTRACT

Merger and acquisition can take place in most of the company either in banking institution or private company but the only question is either it can lead to a better performance of bank or it gets worst. In this research paper, the changes to the financial performance of Hong Leong Bank after merged with EON Bank Group in 2011 are being evaluated. The five (5) years pre and five (5) years post-merger data is used to test the significant. In this research paper, the data are collected from DataStream, Library Universiti Teknologi Mara (UiTM). Method uses in this study are regression test to test significant between independent variable with dependent variable. The dependent variable is profitability ratio and the independent variable is financial ratio performance which is liquidity ratio, leverage ratio, activity ratios and market ratio. Meanwhile, Paired- T-test is use to test either post-M&A give impact to the financial performance of Hong Leong Bank Berhad with the help SPSS software. The findings show that only EPS have a positive significant impact towards ROE. In other hand, results from paired t-test show mergers have negatively impact towards EPS, CR and TATO. However, M&A does not affect ROE and DR.

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