

ABSTRACT

Indonesia is a country with the largest Muslim population in the world. These conditions encourage the establishment of a halal business ecosystem. In addition, the public has also started to become aware of the concept of halal material as seen from the positive developments in the Islamic banking industry. Therefore, the Indonesian government initiated a merger of the advantages of three state-owned sharia banks to become PT Bank Syariah Indonesia Tbk through a merger action. The announcement of this merger will be an event that will have an impact on market reactions and the financial performance of PT Bank Syariah Indonesia Tbk.

The purpose of this study is to analyze differences in market reactions and financial performance of PT Bank Syariah Indonesia Tbk. before and after the official merger announcement was made on February 1, 2021. In this study, the variables used to measure market reaction are Abnormal Return (AR) and Trading Volume Activity (TVA). Meanwhile, post-merger financial performance is measured using value measurement, namely Economic Value Added (EVA).

This research is a quantitative-research with a research population that is all data owned by PT Bank Syariah Indonesia Tbk. The type of data used in this study is secondary data, namely the company's financial reports for the 2019-2021 period which are presented quarterly and stock prices in the 7 days before and 7 days after the merger announcement. The data analysis method used is the paired sample t-test for normally distributed data and the Wilcoxon sign-rank test for abnormally distributed data. Both of these methods are carried out using SPSS for Windows.

The results of this study indicate that there is no difference in abnormal return (AR) before and after the announcement of the merger of PT Bank Syariah Indonesia Tbk. while the results of hypothesis testing for trading volume activity (TVA) and economic value added (EVA) show that there are significant differences before and after the announcement of the merger of PT Bank Syariah Indonesia Tbk. Through these results, it is hoped that investors can take them into consideration in making investment decisions when an event is announced by the company.

Keywords: Abnormal Returns, Trading Volume Activity, Economic Value Added, Merger Announcements