ABSTRACT

This study aimed to determine whether financial ratios CAMELS models able to predict bank failures of mergers and acquisitions in Indonesia. The population in this research is all the bank mergers and acquisitions are listed in Bank Indonesia. The sampling technique was purposive sampling. Sampling criteria that bank mergers and acquisitions are listed in Bank Indonesia for the period 2007-2011, has the full financial report and have no data outliner. Thus obtained a sample of eight companies. The variables in this study consisted of the dependent and independent variables. The dependent variable is a dummy variable that predicted bank failures bank merger or acquisition. The independent variable is the ratio of CAR, ATTM, APB, NPL, PPAPAP, PEM.PPAP, RR, ROA, ROE, NIM, ROA, LDR, CR, and SMR. The technique of data analysis using logistic regression analysis using SPSS tools 17.00. The test results show that the hypothesis is rejected because of the 14 components of CAMELS ratio (CAR, ATTM, APB, NPL, PPAPAP, PEM.PPAP, RR, ROA, ROE, NIM, ROA, LDR, CR, and SMR) ratios APB can only predict failure of bank mergers and acquisitions in Indonesia. Therefore we can conclude the results of this study can not prove that the ratio of CAMELS able to predict bank failures merger in Indonesia.

Keywords: financial ratios, CAMELS, mergers and acquisitions.