



Mergers and Acquisitions in Malaysian Banking :
Case Study of Bumiputra-Commerce Bank Berhad
And
Southern Bank Berhad

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ABSTRACT

This case study evaluates the impact and synergies created at CIMB group (previously known as BCHB), through the acquisition of Southern Bank Berhad (SBB). Many have been studied regarding M&As in various industries, and result indicates that not all M&A achieves positive outcome. These studies were being done using quantitative method where results are being measured using financial data with mathematical computation.

Different from these previous M&A researches, this case study applies qualitative approach to validate the values creation achieved by CIMB group post-merger, where observations plays an important role to collect inputs from different perspectives. Data used is mainly from interviews, market research papers, business news, and any other articles related to the M&A. It is also supported by quantitative data such as financial statements.

Findings was supportive that CIMB group managed to harvest the synergies expected from the M&A with SBB, in terms of operational, financial and managerial synergy. As per illustrated by the interviewee and various sources, the M&A started with intention to transform BCHB's commercial banking arm, Bumiputra-Commerce Bank (BCB) into one of the leading retail bank. And results shown that the new CIMB group, with its restructured CIMB retail bank has then move on to become one of the largest bank in Malaysia and ASEAN.

There are three critical success factors that can be concluded from this case study in order to achieve a successful synergy from a bank M&A, which are leadership, experience in conducting effective post-merger integration, and also to select an organisational fit M&A target.

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