

ACQUISITION: IMPROVING BANK HEALTH AND CAPITAL STRENGTH IN RUNNING THE COMPANY

Joni Hendra *, Maria Ulfah, Elma, Mira Santika Miranda, Azriansyah,
Juliasti Wulandari, M. Rifki Ardiansyah

Institut Agama Islam Negeri Datuk Laksemana Bengkalis
Jl. Lembaga, Senggoro, Kec. Bengkalis, Kabupaten Bengkalis, Riau 28711, Indonesia
Email: joniqizel77@gmail.com

Abstract

This study examines bank acquisition as a strategy to strengthen competitive positioning, enhance capital structure, and support business expansion. An acquisition involves not only the integration of management systems, technology, and human resources, but also influences operational efficiency, asset optimization, and the improvement of banking services and products. Positive impacts are reflected in financial ratios, credit risk-bearing capacity, long-term growth, and operational stability, which help increase the trust of customers and other stakeholders. This study also highlights the importance of proper risk management and compliance with OJK regulations to ensure the sustainability and competitiveness of banks within an increasingly competitive banking industry.

Keywords: Bank Acquisition, Capital Structure, Financial Ratios, Risk Management, Operational Stability

INTRODUCTION

The banking industry is one of the key pillars of the national economy, playing a role in distributing credit, managing public funds, and supporting the growth of the business sector. Competition in this sector is becoming increasingly intense as the number of financial institutions and digital service innovations continues to rise. Banks are required to maintain a strong capital structure, effective risk management, and the ability to provide fast and efficient services (Aryatie & Nugroho, 2012). This condition demands banks to implement growth strategies that focus not only on expansion but also on internal strengthening. One commonly applied strategy is acquisition, which allows banks to expand their market share and increase operational capacity. Acquisition serves as a way to quickly obtain a competitive advantage without starting from zero. Through acquisition, banks can combine assets, technology, and human resources from the acquired institution.

The acquisition process has a significant impact on the bank's capital and liquidity. The injection of new capital through acquisition strengthens the equity structure, enabling banks to better absorb credit risk and withstand market pressures. Healthy liquidity also increases customer and investor confidence in the bank. Additionally, operational integration allows banks to reduce costs, optimize assets, and improve management efficiency. These impacts

are reflected not only in financial performance but also in long-term operational stability. A strong capital structure becomes an essential foundation for banks in facing economic uncertainty and global competition. Therefore, understanding acquisition strategies is crucial for the development of modern banking (Sipangkar & Sihaloho, 2020).

Beyond financial impacts, acquisition also influences governance and risk management. The integration of management systems, technology, and human resources enables the implementation of best practices from both parties. Acquired banks can adopt better risk management standards, enhance internal supervision, and reduce operational risks. The implementation of more professional governance improves regulatory compliance and builds stakeholder trust. Improving service and product quality also becomes one of the main focuses after acquisition. Thus, banks that conduct acquisitions are not only pursuing growth but also strengthening their operational foundation and market reputation.

Acquisition has implications for various stakeholders. Customers benefit from more comprehensive services and innovative products. Employees gain career development opportunities and additional training. Regulators can ensure banking system stability through healthy integration. However, acquisition also requires proper risk management to minimize potential conflicts or service disruptions. With a well-prepared strategy, acquisition can become an important step toward achieving sustainable growth. Therefore, this study is important to analyze the impact of acquisition on bank performance and operational sustainability.

IMPLEMENTATION METHOD

This study employs a descriptive qualitative research method using a literature review and documentation approach. Data were obtained from bank financial reports, publications from the Financial Services Authority (OJK), academic journals, and literature related to acquisition strategies and banking management. The analysis was carried out by identifying, categorizing, and interpreting the information to examine the impact of acquisition on capital structure, financial ratios, risk management, and operational stability. The findings are presented narratively and systematically to provide a clear understanding of the effects of bank acquisitions and their implications for stakeholders (Wijayanti, 2024).

RESULTS AND DISCUSSION

Concept of Bank Acquisition

1. Definition of Bank Acquisition and Its Difference from Merger

Bank acquisition is the process of taking over part or all of the ownership shares of a bank by another bank or financial institution, resulting in the acquired bank being under the control of the acquiring bank. This process typically involves the purchase of shares or assets and enables the acquirer to control the strategies and operations of the target bank (Pronosokodewo, 2024).

The main difference from a merger lies in the nature of ownership; in a merger, two equal banks combine to form a new entity with shared ownership and management. Meanwhile, an acquisition involves dominant control by one party, allowing the identity

of the target bank to either remain or be fully absorbed.

Acquisition is often used as a strategy to access existing markets or technologies of the target bank without having to start from scratch. A merger focuses more on synergy between the two parties to create added value, for example through the consolidation of branch networks or human resources. Thus, acquisition is faster in capturing market share, while mergers emphasize the balanced unification of strengths.

2. Strategic Objectives of Bank Acquisition

One of the strategic objectives of an acquisition is market expansion, where the acquiring bank can quickly broaden its geographic reach or customer segments. By acquiring a bank that already has an established market share, the acquirer can increase its number of customers, assets, and product penetration in new regions.

Acquisition also aims to achieve service diversification. Banks can add new products or services previously offered by the target bank, such as micro-loans, Islamic banking, or digital banking services. This helps the acquiring bank reduce the risk of relying on a single product type or market segment (Anjani, 2023).

Another objective is operational efficiency, as acquisitions allow the integration of internal processes, reduction of operational costs, and more optimal use of technology. The acquiring bank can streamline its branch network, human resources, and IT systems. This strategy enhances profitability and competitiveness in a highly dynamic banking industry.

3. Regulations Governing Bank Acquisitions

In Indonesia, bank acquisitions are regulated by the Financial Services Authority (OJK) through banking regulations and investment licensing policies. Banks intending to conduct an acquisition must obtain approval from OJK to ensure financial feasibility, proper governance, and compliance with banking regulations. These regulations also include requirements related to the acquiring bank's financial health, share ownership limits, and the overall risk assessment process. The main goal is to maintain financial system stability and protect the interests of customers and other stakeholders. OJK may reject an acquisition if it is considered to potentially threaten the stability of the bank or the market.

OJK also regulates post-acquisition reporting to monitor integration processes, liquidity, and solvency. These regulations ensure that the acquisition does not create systemic risks and promotes transparency. The acquiring bank is also required to comply with governance standards, risk management procedures, and financial reporting obligations as stipulated in applicable regulations.

Impact of Acquisitions on Bank Soundness

1. Improvement of Capital Structure and Liquidity

Bank acquisitions can strengthen the capital structure of the acquired institution. The acquiring bank typically injects additional capital or assets to increase core capital, enabling the acquired bank to better manage credit and operational risks. Stronger capital also helps banks meet regulatory requirements, thereby enhancing financial stability.

Acquisitions also improve the liquidity position of the target bank. Additional funds and access to a wider banking network support smoother transactions. The bank becomes more capable of meeting short- and medium-term liquidity needs. Healthy liquidity

strengthens investor and customer confidence. Overall, the bank becomes more financially stable and flexible (Mamis, 2025).

2. Effects of Acquisitions on Financial Ratios (CAR, ROA, ROE, NPL)

Acquisitions influence key financial ratios such as CAR, ROA, ROE, and NPL. Additional capital from the acquiring bank generally increases the target bank's CAR, indicating a better capacity to absorb risks. ROA and ROE may also improve when operational integration is successfully implemented. With proper management, NPL levels can decline.

The acquiring bank may restructure credit portfolios, and stronger risk management can help reduce NPL. Operational efficiency and enhanced internal controls contribute to higher profitability. Healthy financial ratios make the bank more competitive and support long-term performance and stability.

3. Enhancing Risk Management and Bank Governance

Acquisitions drive improvements in risk management and governance. The acquiring bank often brings more robust governance practices. Oversight and execution functions are more clearly separated, and internal audit units are strengthened to monitor operational risks. This helps reduce compliance and financial risks (Ratnasari, 2019).

Risk management systems become more advanced and integrated. Credit, liquidity, and market risk management are applied more effectively. Monitoring and mitigation processes become more disciplined and transparent. Improved governance ensures compliance with OJK regulations and industry standards, thereby increasing customer and investor trust.

Effect of Acquisitions on Capital Strength

1. Capital Injection and Equity Strengthening

Capital injections through acquisitions can significantly strengthen a bank's equity. The additional capital increases the bank's capacity to extend credit, expand services, and support operational activities (Amalia, 2023). Acquiring banks typically add core capital to meet regulatory requirements and maintain financial soundness. Stronger equity also helps banks withstand economic fluctuations, liquidity pressures, and market risks. Adequate capital provides flexibility for strategic investments and product innovation, making the bank more resilient in facing complex financial challenges.

Strengthened equity also enhances the bank's ability to manage assets and liabilities efficiently. Banks can diversify products, expand service portfolios, and increase market penetration. Strong capital improves bargaining power in a competitive banking industry and boosts investor and customer confidence. Risk management processes become more controlled and structured. Thus, capital strengthening not only improves financial health but also supports long-term growth (Mohamad, 2023).

2. Capacity to Bear Credit Risk and Business Expansion

Additional capital from acquisitions significantly increases a bank's ability to bear credit risk. The bank can expand its credit portfolio without excessively increasing default risks. This enables financing across various business sectors, including MSMEs and strategic industries. With effective risk management, business expansion becomes more controlled. A stronger capacity to manage credit risk enhances competitiveness and helps

the bank anticipate potential losses while maintaining asset quality.

Sufficient capital also supports expansion into new regions or emerging sectors. The bank can open new branches, widen distribution networks, and aggressively develop digital services. Capital-supported expansion reduces operational risks and increases efficiency. With careful management, expansion can generate sustainable growth and strengthen the bank's position regionally and nationally (Pratama, 2021).

3. Relationship Between Strong Capital, Operational Stability, and Customer Trust

Strong capital plays a key role in maintaining operational stability. Banks are better equipped to handle liquidity pressures, market risks, and economic uncertainty. Operational stability ensures consistent and reliable customer service, enhancing the bank's reputation among the public and regulators. A stable bank is better prepared to face financial crises or sudden market changes. Adequate capital allows the bank to adjust strategies and operations quickly, creating a mutually reinforcing cycle of stability and strong capital (Hendra, 2025).

Customer trust increases as the bank's capital strengthens. Customers feel more secure placing funds in institutions with solid equity and low risk. This boosts customer loyalty and long-term deposit growth. Banks with strong capital can expand their networks, reach new markets, and attract investors. Improved transparency and risk management further enhance credibility with regulators and stakeholders. A strong capital base provides a solid foundation for long-term sustainability and growth.

Operational Efficiency and Synergy

1. Integration of Management Systems, Technology, and Human Resources

Bank acquisitions often involve integrating management systems, technology, and human resources. Management integration enables more efficient strategies and better coordination across units. Combined technologies improve process automation and real-time data processing. Human resources are aligned to optimize employee skills and productivity. Effective integration reduces task duplication and improves operational efficiency, while also enabling knowledge sharing and best-practice transfer (Sari, 2024).

Integrated systems and HR enhance adaptability to changes in the banking industry. Banks can implement new innovations and services more quickly. Improved team collaboration supports more effective decision-making. Integrated technology enhances system reliability and data security. Employees can focus more on strategic tasks rather than repetitive routines, boosting productivity and improving management quality.

2. Reduction of Operational Costs and Asset Optimization

Bank acquisitions allow operational cost reductions through economies of scale and process integration. By consolidating operational units, branches, and systems, banks can reduce administrative and operational expenses. Asset optimization is achieved through more efficient use of office space, technology, and workforce. These efficiencies improve profitability and financial stability.

Cost efficiency strengthens the bank's ability to face competitive pressures and economic fluctuations. Resources saved can be allocated for strategic investments or new product development. Asset optimization maximizes returns on existing portfolios, and cost reductions help maintain healthy financial ratios. Banks become more flexible in

responding to market changes and customer needs (Abdilla & Ahsan, 2021).

3. Improving Service and Product Quality

Post-acquisition integration allows banks to improve the quality of services and products. Banks can develop new, more relevant products to meet customer needs. Standardized processes and integrated technology support faster, more accurate, and more reliable services. Better-trained and more experienced employees contribute to higher customer satisfaction.

Enhanced products and services encourage continuous innovation across the business. Digital technologies allow banks to broaden service reach and improve customer experience. Better service increases customer retention and attracts new market segments. Improved service quality becomes a key factor in long-term growth and competitive advantage.

Strategic Impact of Acquisitions on the Company

1. Competitive Position in the Industry

Bank acquisitions strengthen a bank's competitive position in the financial industry. Through combined assets, technology, and customer networks, banks can significantly expand their market share. Integrated resources enable banks to offer more diverse products and services. Competitive advantage is further supported by operational efficiency and brand enhancement, enabling larger banks to compete more confidently.

A stronger competitive position encourages innovation, such as the development of digital products, Islamic banking services, and modern transaction features. Improved cross-unit collaboration enhances service quality. A solid competitive position also makes banks more attractive to investors and business partners (Jaelani & Purwanti, 2022).

2. Long-Term Growth Potential

Acquisitions open opportunities for long-term growth. With additional capital, resources, and technology, banks can expand branch networks and market penetration. Expansion into new customer segments increases revenue and business diversification. Operational integration ensures that growth remains efficient and controlled. Banks can leverage synergies to improve profitability and competitiveness.

Long-term growth is also supported by continuous product innovation and adaptation to changing customer needs and industry trends. Integrated resources enable sustainable expansion and increased national or regional market share. This growth enhances financial stability and increases shareholder value.

3. Implications for Stakeholders, Including Customers, Employees, and Regulators

Bank acquisitions have significant implications for stakeholders. Customers benefit from more comprehensive services and access to new products. Employees gain opportunities for career development, training, and experience in a larger operational environment. Regulators may view acquisitions as a way to strengthen the stability of the banking system. The acquisition process also requires transparency and full compliance with existing regulations (Ramadhani & Dhafyah, 2022).

Stakeholders may also face certain risks. Customers may experience service adjustments, and employees may need to adapt to new systems and organizational cultures. Regulators closely monitor integration to ensure compliance and stability. With proper risk

management, negative impacts can be minimized, allowing banks to build stronger relationships with stakeholders.

CONCLUSION

Bank acquisition is an essential strategy to strengthen competitive positioning, enhance capital structure, and support business expansion. The acquisition process not only enables the integration of management systems, technology, and human resources but also improves operational efficiency, asset optimization, and service quality. Its positive impacts can be seen in healthier financial ratios, stronger credit risk-bearing capacity, and sustainable long-term growth. In addition, acquisition enhances operational stability and builds trust among customers, employees, and other stakeholders. With proper risk management and regulatory compliance, bank acquisition becomes a strategic foundation for ensuring institutional sustainability and competitiveness within the banking industry.

REFERENCES

- Abdillah, Fahad, and Muhamad Ahsan. Mitigasi Risiko Pada Merger Bank Syariah BUMN Dengan Menilai Tingkat Kesehatan. Vol. 6, No. 2 (2021), h. 6.
- Amalia, Ilma. Analisis Pengaruh Kesehatan Bank Terhadap Stabilitas Keuangan di Indonesia. 2023, h. 31.
- Anjarani, Rizki. Analisis Kesehatan Bank Syariah Indonesia (BSI): Komparasi Sebelum dan Setelah Merger. *Jurnal Ekonomi Manajemen*, Vol. 1, No. 2 (2023), h. 7.
- Aryatie, Indira Retno, and Adityo Waskito Nugroho. Akibat Hukum Bagi Bank Bila Kewajiban Modal Inti Minimum Tidak Terpenuhi. *Mimbar Hukum – Fakultas Hukum Universitas Gadjah Mada* 22, No. 2 (2012), h. 283.
- Hendra, Dede. Analisis Tingkat Kesehatan Bank Syariah Indonesia Dengan Menggunakan Metode RBBR. *Jurnal Manajemen*, Vol. 19, No. 1 (2025), h. 43.
- Jaelani, Achmad, and Winaya Purwanti. Pengaruh Tingkat Kesehatan Bank Dengan Metode Risk Based Bank Rating (RBBR) Terhadap Kinerja Keuangan (Studi Pada Bank Umum Kategori BUKU 3 Periode Tahun 2018–2020). *ADI Bisnis Digital Interdisiplin Jurnal* 3, No. 1 (2022), h. 30.
- Mamis, Yonartilia. Analisis Kinerja Keuangan Dengan Metode RGEC Sebelum dan Sesudah Akuisisi PT Bank Neo Commerce Tbk oleh PT Akulaku Silvr Indonesia. *Jurnal Ekonomi Bisnis*, Vol. 3, No. 3 (2025), h. 372.
- Mohamad, Salwaa Ardhiah. Analisis Tingkat Kesehatan Bank Dalam Menerapkan Normalisasi Kebijakan Kredit (Studi Kasus Pada PT Bank SulutGo). *Jurnal Ilmu Ekonomi*, Vol. 6, No. 2 (2023), h. 44.
- Pratama, Jodi Aditya. Analisis Tingkat Kesehatan Bank Sebelum dan Setelah Diakuisisi (Studi Kasus PT Bank KB Bukopin Tbk). Vol. 5, No. 2 (2021), h. 31.
- Pronosokodewo, Baniady Gennody. Analisis Kecukupan Modal Bank Umum di Indonesia (Studi Kasus pada Sektor Perbankan yang Terdaftar di BEI Periode 2017–2021). *UPY Business and Management Journal (UMBJ)* 3, No. 1 (2024), h. 19.
- Ramadhani, Nur Fitri, and Athaya Aqilah Dhafyah. Perbandingan Kinerja Keuangan PT Bank

- SeaBank Sebelum dan Sesudah Akuisisi: Studi Literatur. Vol. 4, No. 1 (2022), h. 316.
- Ratnasari, Firda. Analisis Pengaruh Akuisisi Terhadap Kinerja Keuangan Perusahaan Bank Permata Tbk yang Terdaftar di BEI. Vol. 8 (2019), h. 21.
- Sari, Mita Permata. Analisis Tingkat Kesehatan Keuangan pada PT Bank Syariah Indonesia Tbk dengan Metode CAMEL Tahun 2018–2022. Vol. 11, No. 1 (2024), h. 293.
- Sipangkar, Yoshua Harbyanto, and Estro Dariatno Sihaloho. Analisis Efisiensi Industri Perbankan Indonesia Setelah Merger dan Akuisisi: Pendekatan Data Envelopment Analysis. Jurnal Manajemen Maranatha 19, No. 2 (2020), h. 159.
- Wijayanti, Istiqomah Putri. Analisis Hukum dan Dampak Akuisisi PT Bank Central Asia Tbk dan PT Bank Royal Indonesia terhadap Industri Perbankan di Indonesia. Vol. 8, No. 2 (2024), h. 327.