

Independent study title	INVESTMENT BANKS' REPUTATION, FINANCIAL CONSTRAINTS, AND M&A PERFORMANCE: EVIDENCE FROM ASEAN MARKETS
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ABSTRACT

This study investigates the influence of reputable investment banks (Top-tier financial advisors) on acquiror value creation in mergers and acquisitions (M&A) within the ASEAN market, comparing their impact to lesser-known advisors. Utilizing a sample of 603 M&A deals from Singapore, Thailand, Malaysia, the Philippines, and Indonesia between 1995 and 2020, the research assesses both short-term and long-term performance outcomes. The event study methodology is employed to evaluate cumulative abnormal returns (CAR) and buy-and-hold abnormal returns (BHAR), with acquirors' financial conditions categorized as constrained, neutral, and unconstrained using the KZ index. The findings reveal that top-tier advisors do not improve short-term CAR for acquirors, with the underperformance observed compared to non-top-tier advisors. This underperformance, ranging from -2.59% to -2.98% below non-top-tier advisors, is attributed to higher advisory fees and negative market sentiment. The phenomenon persists across various event windows and financial constraint groups, with no significant deviations based on the financial status of acquirors. Long-term performance analysis shows a significant positive impact of top-tier advisors, with an average BHAR 14.74% higher than non-top-tier advisors. This underscores the role of

top-tier advisors in effective post-deal integration and synergy realization. The study contributes to the literature by providing insights into the differential impacts of top-tier and non-top-tier advisors on both short-term and long-term M&A performance in ASEAN markets.

Keywords: Investment banks reputation, Top tier financial advisors, Mergers and Acquisitions (M&A), Financial Constraints, KZ index, Event-study, Cumulative Abnormal Returns (CAR), Buy-and-hold Abnormal Returns (BHAR).