

## **ABSTRACT**

*According to single presence policy which is regulated on PBI No. 8/16/PBI/2006, in Kendal there are twelve BPR BKK consolidated into PD BPR BKK Boja. Bank consolidation is expected to create an efficient and strong BPR and also be able to compete with commercial bank. Comparing to commercial bank, BPR has an important role in supporting small and medium-sized entrepreneurs (SMEs) because it can be founded in villages and sub-districts.*

*Using financial statement of PD BPR BKK Boja in 2005-2009 and paired sample t-test, the financial performance is analyzed in relation to the merger and change in financial performance.*

*This research study analyzed the change of PD BPR BKK Boja's financial performance after and before merger. The financial performance is measured by CAMEL, but this study could not measure management aspect because of the scarcity of data. The result of this study found that there is no change in financial performance after merger. Asset and earning of PD BPR BKK Boja changed significantly. But there are no changes significantly in capital and liquidity performance. Capital and asset decrease after merger, but earning and liquidity increase after merger.*

*Key words: single presence policy, merger, CAMEL, financial performance.*