

# **The role of financial advisors in mergers & acquisitions in Asia-Pacific**

Does the choice of financial advisors create or destroy M&A performance?

Master Thesis



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## **Abstract**

This paper evaluates the impact of prestigious financial advisors on acquirer announcement returns in the Asian-Pacific M&A market. Financial advisor reputation is measured based on market share league tables in the corresponding market. A sample of 2'387 well-documented acquisitions form the basis for empirical analyses. The findings indicate that acquirers advised by top-tier advisors experience lower bidder cumulative abnormal returns, especially in public acquisitions. For acquisitions of private and subsidiary firms, no significant effect is estimated. In terms of absolute dollar gain, tier-one advisors even destroy acquirer wealth instead of creating additional value to bidder shareholders. Non-top-tier advisors on average outperform the prestigious ones by 1.93%. Larger acquirers with lower pre-announcement returns are more likely to hire a first-tier advisor.