LIQUIDITY RISK IN DUAL SYSTEM BANKING MODERATED SEVEN DAY REPO RATE

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ABSTRACT

Abstract

This study aims to examine the effect of Company Size, Net Working Capital (NCW), Return on Equity (ROE), Capital Adequacy Ratio (CAR), and Return on Assets (ROA) on Liquidity Risk in Dual System Banking in Indonesia. This study also includes a moderating variable, namely the seven days repo rate which has only been enforced for 4 years in Indonesia. Indonesia has a banking industry that is different from the banking industry of other countries in general, because Indonesia applies a dual banking system (conventional banks and Islamic banks). This system raises many questions regarding both the positive and negative sides. This study focuses on liquidity risk which is one of the indicators of a bank's performance. This study plans to take research samples from conventional banks and Islamic banks, both Sharia Business Units (UUS) and Sharia Business Entities (BUS) which are contained in the Indonesian Sharia Banking Statistics published by the Financial Services Authority. The data used in this research are between 2016 and 2019. The data used are secondary data published by the Financial Services Authority, conventional banks, Islamic commercial banks, sharia business units and Bank Indonesia. This study uses data analysis techniques Moderated Regression Analysis or MRA. The results showed that bank size, net working capital, return on equity and return on assets had a significant effect on liquidity risk. Meanwhile, the seven days repo rate moderating variable was unable to moderate the effect of the independent variable on liquidity risk. ..

Kata Kunci: *Liquidity Risk, Dual System Banking, Syariah Bank, Seven Days Repo Rate.*