ANALYSES & IMPLEMENTATION OF LIQUIDITY COVERAGE RATIO (BASEL III) IN BANK CENTRAL ASIA

By

Kevin Pranata
13112008

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SWISS GERMAN UNIVERSITY
EduTown BSD City
Tangerang 15339
Indonesia

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STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

Kevin Pranata — 04/08/2016

Student — Date

Approved by:

Dr. Antonius TP. Siahaan — 040/08/2016

Thesis Advisor — Date

Prof. Dr. Eric Jos Nasution, MBA, MA, PhD — 04/08/2016

Dean — Date

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ABSTRACT

Analyses & Implementation of Liquidity Coverage Ratio (Basel III) in Bank Central Asia

By

Kevin Pranata

Dr. Antonius TP. Siahaan, Advisor

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The main purpose of this thesis is to understand and bring forth the issue of implementation regarding Basel III focusing on liquidity risk in Bank Central Asia by analyzing the detention of liquid assets at Bank Central Asia based on the liquidity defined by BASEL III into the form of LCR (Liquidity Coverage Ratio) is affected by non performing loan, loan to deposit ratio and uncommitted credit.

The data used is secondary data collected from financial statement data of Bank Central Asia and additional data from other banks to create the comparison. Method for data processing will be the multiple regression model to test the hypothesis.

Bank Central Asia will take a new step in implementing Basel III focusing on liquidity risk. Basel Committee keep on improving Basel I, II, III to keep enhancing understanding of key supervisory issues and improve the quality of banking supervision worldwide. Tests proved that the liability period of 1 month significantly influence detention liquid assets and can be demonstrated with short-term cash flow does not significantly influence the detention of liquid assets, but net cash flow for a period of 12 months significantly affect detention liquid assets of banks in Indonesia.

Keywords: LCR, HQLA, Non performing loan, Loan to deposit ratio Uncommitted Credit, Net cash flow, BASEL III

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DEDICATION

I dedicate this thesis for the future of Bank Central Asia
and other related banking sector in Indonesia

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