ANALYSING THE INFLUENCE OF COMPANY'S DIVIDEND POLICY AND FINANCIAL INCLUSION TO BANK RISK AND PERFORMANCE

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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.

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ABSTRACT

ANALYSING THE INFLUENCE OF COMPANY'S DIVIDEND POLICY AND FINANCIAL INCLUSION TO BANK RISK AND PERFORMANCE

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Objectives: This study examines whether company's dividend policy and financial inclusion influences bank's risk and performance in banking sector listed in Bursa Efek Indonesia during the period of 2013–2018 (6 years). Based on the analysis and hypothesis testing, this study showed the following results: Dividend Policy and Financial Inclusion has a significant impact on bank's risk and performance. Furthermore, changes in dividend payments over time positively affect subsequent changes in foreign shareholding

Method: This research used companies in banking sector listed in the Indonesia Stock Exchange as sample. Data was extracted from companies' financial statements for the years 2013 to 2018 and BankFocus application. Impact of dividend policy is analysed by eViews software version 10 and data analysis is done through multiple regression analysist to test the hypothesis.

Keywords: Dividend Policy, Financial Inclusion, Company Performance, Dividend Pay-out Ratio (DPR), Branches, Assets, Equity, Capital, National Financial Index.

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DEDICATION

I dedicate this works for my lovely wife (Desi Damayanti) and daughters (RR. Andira Claribel Wijanarko and RR. Kalinda Nareswari Wijanarko) who give their full support, commitment and consistent pray for me to finish the study.

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