# ABSTRACT

*In the economy of a country the influence of banks has a big role. The banking sector has an important role in financing the public and private sectors. The bank acts as an intermediary, where the bank has a function as a liaison between parties who have excess funds (unit surplus) to those who need funds (unit deficit). This study focuses on factors that influence liquidity risk in banks. The purpose of this research is to analyze the effect of Non Performing Loans (NPL), Return On Assets (ROA), Return On Equity (ROE), Capital Adequacy Ratio (CAR), and Size (Bank Size) on liquidity risk in conventionally registered banks on the IDX for the period 2013-2017.*

*The population used in this research consisted of all banking companies, both state banks (state-owned enterprises) and national private commercial banks in Indonesia that were registered with Bank Indonesia for the period of 2013 to 2017. From the population, 35 bank samples were obtained. The sampling technique used was purposive sampling. The analysis technique used in this research is multiple linear regression, which is tested to pass the classic assumption with normality, multicollinearity, autocorrelation and heteroscedasticity.*

*The results showed that the variables Return on Assets (ROA) and Return On Equity (ROE) had a positive and significant effect on liquidity risk. While the Non Performing Loan (NPL), Capital Adequacy Ratio (CAR), and Size variables have a negative and not significant effect on liquidity risk.*



***Keywords: Non Performing Loans (NPL), Return On Assets (ROA), Return On Equity (ROE), Capital Adequacy Ratio (CAR), Size (Bank Size), liquidity risk.***