ABSTRACT

This study aims to analyze the influence of liquidity risk to bank performing in Indonesia. Liquidity risk in this study is proxied using factors that can be managed by bank to avoid the threat of liquidity risk. These factors include deposit, cash reserve, liquidity gap and non performing loan as a independent variable and bank profitability as a dependent variable.

The population in this study is the banking companies in Indonesia that are listed on Bursa Efek Indonesia in the year 2012-2016. The method used for sampling is purposive sampling. The total amount of the sample were determined with some specific criteria, this study obtained 196 banking as the sample. This study used multiple liniear regression to examine the hypothesis

The results of this study show that savings funds, cash reserves, liquidity gaps and non performing loans jointly affect the profitability of banks. The result of t test shows that the deposit fund cash reserves, liquidity gap haves a positive influence on bank profitability, and non performing loan has a negatively influence on bank profitabilty.

Keywords : liquidity risk bank, liquidity risk management, bank profitability.