



TABLE OF CONTENTS

TITLE PAGE	i
RATIFICATION AND OFFICIAL NOTES	ii
APPROVAL PAGE	iii
STATEMENT OF AUTHENTICITY	iv
ACKNOWLEDGEMENTS	v
TABLE OF CONTENTS	vii
LISTS OF TABLES	ix
LISTS OF APPENDIXES.....	xii
GLOSSARIES.....	xiv
ABSTRACT	xvii
<i>INTISARI</i>	xviii
CHAPTER I: INTRODUCTION	1
1.1 Research Background.....	1
1.2 Problem Formulation	4
1.3 Research Questions	5
1.4 Research Objectives	6
1.5 Research Contributions	7
1.6 The Scope of Research.....	8
1.7 Organization of the Research	9
CHAPTER II: REVIEW OF THE LITERATURE.....	11
2.1 The Indonesian Banking Sector	11
2.2 Bank Risk Management	15
2.3 Bank Performance Indicator	22
2.4 OJK's Countercyclical Policy No.11/POJK.03/2020	29
2.5 Basel Regulations as Guidelines for Bank Capital Buffer	34
2.6 Prior Studies and Hypothesis Development.....	37
CHAPTER III: RESEARCH METHODS	45
3.1 Data and Samples.....	45
3.2 Operational Definitions of Variables	47
3.3 Data Analysis Method.....	52
3.4 Statistical Equation Model	54



CHAPTER IV: RESULTS AND DISCUSSIONS	57
4.1 Descriptive Statistics	57
4.2 Classical Assumption Test	62
4.3 Selection of Estimation Model.....	66
4.4 Test for Equality.....	80
4.5 Regression Analysis and Hypothesis Testing	85
4.6 Robustness Test.....	108
CHAPTER V: CONCLUSIONS.....	111
5.1 Conclusions	111
5.2 Limitations	113
5.3. Suggestions	114
5.4 Implications.....	115
BIBLIOGRAPHY	116
APPENDIXES	122