DIFFERENT PERFORMANCE OF DIFFERENT BANK OWNERSHIP

[1]IKA PERMATASARI, [2]AISYATURRAHMI

[1,2]Accounting Department, Universitas Negeri Surabaya, Indonesia
E-mail: [1]ikapermatasari@unesa.ac.id, [2]aisyaturrahmi@yahoo.co.id

Abstract- This study aimed to determine bank performance based on their ownership status in Indonesia. Ownership is divided into government-owned banks, domestic private banks, and foreign banks. Bank performance observed were performance in terms of profitability, credit quality, liquidity, and earning asset quality. This study examined whether there are performance differences between government-owned banks, domestic private banks, and foreign-owned banks. The results showed that government-owned banks have the most superior performance in terms of profitability than domestic private-owned and foreign-owned banks. In terms of credit quality, the three categories of banks do not have differences. In terms of liquidity and quality of earning asset, foreign-owned banks are superior to government-owned and domestic private-owned banks.

Keywords- Bank Performance, Ownership, Profitability, Credit Quality, Liquidity, Earning Asset.

I. INTRODUCTION

Bank as financial intermediary is considered an essential element for economic growth in developing countries. Yet little is known about the strengths and weaknesses of different types of organization and design of the bank. Three types of the most dominant bank in developing countries is a government-owned banks, domestic private-owned banks, and foreign-owned banks. Basically, the policy and regulation by Bank Indonesia to the government-owned banks, domestic private-owned banks, and foreign-owned banks are equal. The entire regulations, including prudential regulations, applied uniformly to all banks who operating in Indonesia. Restrictions imposed on foreign banks are in the form of geographic restrictions in the case of office, which is only allowed in the capital town (Hadad et al. 2003). In developing countries, Dermiguc-Kunt & Huizinga (1999) mentioned that foreign-owned banks have profit margin greater than domestic-owned banks. However, in developed countries, profit margin of foreign-owned bank is smaller than domestic-owned bank. Foreign banks have some advantages, particularly in terms of the variety of products and credit lines with banks abroad which allows foreign banks to trade more freely in overseas markets. In the case of relatively difficult lending by banks, including foreign banks, while on the other hand the banks have excess liquidity, then as commercial banks that tend to be profit-oriented, foreign banks will carry out activities or transactions in order to maintain or improve profitability (Hadad et al. 2003).

Mian (2003) conducted a study of three groups of banks in developing countries, i.e. government-owned banks, domestic-owned banks, and foreign-owned banks. Comparison results showed that domestic banks behave differently from foreign-owned banks. In particular, domestic banks look more "aggressive" in providing loans compared to foreign banks. They have fewer liquid assets than foreign banks, and along with it has more assets in the form of credit. Further, upon loans granted by each type of bank, domestic banks earn a return of 2.6% higher than foreign banks. Surprisingly, even though the lending policies more aggressive, there is no difference in default rate between domestic banks and foreign banks. An independent credit rating agency also confirmed these results. The higher credit return, even though default rate are equal, it implies that on credit side, domestic banks are more profitable than foreign banks. However, it is opposite in the side of savings and banking services. Domestic banks have higher interest expense on deposits and lower revenues from the sale of banking services than foreign banks. Consequently, there were no significant difference in the average profitability of domestic banks and foreign banks in developing countries.

Chen & Liao (2011) found that foreign banks are more profitable than domestic banks if they operate in host country that the banking sector is less competitive and if the parent bank in home country is very advantageous. In addition, if foreign banks are operating in foreign countries with lower GDP growth rates, higher interest and inflation rates, as well as strict adherence to Basel risk weights, their margins will increase. In particular, changes in bank supervision on restriction of parent bank ownership in their home country significantly increasing foreign banks margin, while supervisory changes in compliance with Basel risk weights in host countries can improve foreign banks margin.

Government-owned banks have more unique characteristics. If a bank's assets are directly controlled by government, government role in terms of funding is greater than the function of regulation and law enforcement. In general, government-owned bank facilitates funding of projects that are not able to be funded by domestic bank, particularly projects that can help economy development (Dinc 2005).

Based on previous researches, this study further investigates bank ownership structure with bank performance in Indonesia. The ownership structure is

divided into three groups, i.e. government-owned banks, national private banks, and foreign-owned banks. Bank performance will be grouped into earnings performance (profitability), credit performance (credit quality), as well as asset performance (liquidity and quality of earnings assets). This study also compared the performance between groups of banks.

Proxy that is commonly used as bank profitability is return on equity (ROE) and return on asset (ROA). ROA shows a company's ability to earn profits in its operations, while ROE measures the profit earned from the owner investment. ROA is also used to measure the efficiency and effectiveness of the company in generating profits by exploiting its assets. Therefore, this study uses ROA as a measure of bank profitability.

Bank credit performance can be attributed to credit risk (default risk), which is a risk due to a customer failure or unable to restore the amount of loans granted by banks and interest in accordance with a predetermined period of time. It can be measured by nonperforming loans—NPL. The level of credit risk has a significant influence on the bank's ability to provide funding. High credit risk can reduce public confidence level, so that bank may have difficulty in raising third-party deposits (Siringoringo 2012).

Asset performance can be viewed as liquidity and quality of earnings assets. Asset liquidity can be measured by Liquid Assets to Total Deposit (LATD). Meanwhile bank assets consist of earnings and non-earnings assets. Earnings assets is the provision of bank funds to earn income, in the form of loans, securities, interbank funds placement, bank acceptances, reverse repurchase agreement, derivatives, investments, administrative account transactions, as well as other forms of funds provision thereto. While non-earnings assets are bank assets other than assets which have the potential losses, among others in the form of foreclosed properties, abandoned properties, interoffice accounts, and suspense accounts. This study uses ratio of total assets to total earning assets for assessing quality of earning assets of banks.

II. LITERATURE REVIEW

Indonesia central bank through Bank Indonesia Regulation No. 14/8/PBI/2012 on Commercial Bank Shareholding set the maximum limit of bank shareholding for each category of shareholders as follows: (1) 40% of bank capital to category of shareholders in the form of bank financial institutions and nonbank financial institutions; (2) 30% of bank capital to shareholders in the form of other than financial institution; and (3) 20% of bank capital to category of individual shareholders. However, maximum shareholding limit does not apply to government and institutions that have function of handling and/or rescue banks.

The linkage between ownership structure and bank performance, there is one thing that cannot be separated, namely bank management (bank administrator). Achievement of objectives and performance is inseparable from the bank's own management performance. The relationship between bank management with bank owners will be set forth in performance contract.

Agency relationship is defined as a contract where one or more person (called the principal or shareholder or owner) appoint another person (called an agent or management) to do some work on behalf of the owner. The work includes the delegation of authority for decision making. In this case the management is expected by the owner in order to optimize the existing resources in the bank to the fullest.

If both parties can maximize its role, it is reasonable if management will not always act in the interests of the owner. This is because in general the owner has a welfare motive in the long term otherwise management is more short-term nature, thus sometimes they tend to maximize short-term profit by ignoring the sustainability of long term gain. To limit or reduce that possibility, the owner can set appropriate incentives for management, with the cost of monitoring in the form of salary and bonuses. Given the cost of monitoring, management will continue to maximize owner welfare, although in practice management decisions may differ with the wishes of the owner (Hadad et al. 2003).

With complex capital structure in banking industry then there are at least three agency relationship that can lead to asymmetric information, i.e.: (1) the relationship between depositor, bank, and regulator, (2) the relationship between owners, managers, and regulators, as well as (3) the relationship between borrowers, managers, and regulators. Of the three kinds of relationships are, in every relationship inevitably involves regulators that the bank will act in the interest of the regulator earlier than the other. Bonin et al. (2005) examined the effect of ownership, especially by foreign owners, to the bank efficiency for eleven countries transition, which consists of 225 banks and 856 observations. They found that banks owned by foreigners more cost efficient than other banks and foreign banks provide a better service. While government banks was proved to be less efficient in providing services. Berger et al. (2009) examined bank ownership with bank efficiency in China. The results indicate that government-owned bank is the most inefficient banks, foreign banks are the most efficient, and bank with foreign minority ownership has increased efficiency significantly. Hadad et al. (2003) has examined bank ownership with bank performance. The results showed that bank performance is not associated with ownership structure, but in some cases, bank performance slightly related to the ownership structure. It happened because bank performance is determined by

management, as stated in the performance contract between the owner and management. In addition, the banks listed on the Indonesia Stock Exchange tend to have better performance, notwithstanding the relationship is relatively weak.Hadad et al. (2003) based on the analysis of the entire group of banks estimated that foreign banks specifically focus into banks that perform activities that generate fee (fee-based income), so it is less a role in promoting national economic growth.

Besides, the same fee-based income product has also been widely offered by domestic banks. The estimation results of the entire group of banks confirm the phenomenon of foreign banks in Indonesia that although from the aspect of efficiency and non-performing loans of foreign banks have the same behavior with a domestic bank or a mixture but from the aspect of revenue, foreign banks prefer non-credit income.

Based on the studies above, then we formulate hypothesis:

H_1: *There are significant differences between government banks, private banks and foreign banks in terms of profitability, credit quality, liquidity, and quality of earning assets.*

III. METODOLOGY AND MODEL

In this study, we used 30 government-owned banks (central government and state government), 40 domestic private-owned banks, and 27 foreign banks. Data was obtained from the bank's annual report of Bank Indonesia website and Financial Services Authority from 2010 to 2014. We used bank ownership structure as independent variable and give number 1 for government-owned bank, number 2 for domestic private-owned bank, and 3 for foreign-owned bank. We used majority stockholders when we defined the owner of the bank.

The dependent variables used in this study include:

a. Return on assets (ROA) as a measure of bank profitability;
b. Non-performing loan (NPL) as a measure of bank credit quality; we used NPL gross in this study;
c. Liquid asset to total deposit (LATD) as a measure of bank liquidity;
d. Earning asset ratio (EAR) as a measure of bank quality of earning asset; it was obtained from total earning asset divided by total assets.

In this case we tests Ownership variable in effect on ROA, NPL, LATD, and EAR using Multivariate Analysis of Variance (MANOVA).

IV. FINDINGS

This study examined one independent variable in effect of four dependent variables. We used MANOVA to test our hypotheses.

Table 1: Box's Test of Equality of Covariance Matrices

Box's M	893.725
F	44.132
df1	20
df2	703213.343
Sig.	.000

The result of test of equality of covariance matrices (Table 1) violates the assumption of MANOVA. However, the results of F-test robust despite MANOVA assumptions violated, then the analysis can be continued.

Table 2: Multivariate Test

Effect		Value	F	Sig.
Intercept	Pillai's Trace	.964	3170.044[b]	.000
	Wilks' Lambda	.036	3170.044[b]	.000
	Hotelling's Trace	26.922	3170.044[b]	.000
	Roy's Largest Root	26.922	3170.044[b]	.000
Ownership	Pillai's Trace	.332	23.487	.000
	Wilks' Lambda	.686	24.438[b]	.000
	Hotelling's Trace	.432	25.392	.000
	Roy's Largest Root	.360	42.500[c]	.000

Wilk's Lambda was used if there are more than two groups of dependent variables. The result of multivariate test (Table 2) showed that F-test for Wilk's Lambda was 24,438 and significance on 0,000. It means there are relationships between ownership and ROA (profitability), NPL (credit quality), LATD (liquidity), and EAR (quality of earning asset).

Table 3: Levene's Test of Equality of Error Variances

	F	Sig.
ROA	6.170	.002
NPL	.490	.613
LATD	50.930	.000
EAR	41.716	.000

Homogeneity test was used to test the assumption of MANOVA which requires that each dependent variable have the same variance for all groups. Levene's test (Table 3) examines this assumption. The results revealed that only NPL have the same variance with significance level of 0.613. While ROA, LATD, and EAR have significance value less than 0.05, they are violates variance assumption. Although it is violated, MANOVA remained robust, so that the analysis can be continued.

Test of between subject effects examine univariate ANOVA in effect of every factor of dependent variable. Table 4 showed that there are differences in the profitability (ROA), asset quality (LATD), and

quality of earnings asset (EAR), while there are no differences in the credit quality (NPL) between each category of ownership.

Table 5 showed that: (1) there are significant differences between government-owned banks, domestic-owned banks, and foreign-owned banks in terms of profitability (ROA); (2) there are no significant differences between government-owned banks, domestic-owned banks, and foreign-owned banks in terms of credit quality (NPL); (3) there are no differences between government-owned banks and domestic-owned banks in terms of asset quality (LATD), but there are significant differences between government-owned and foreign-owned banks, and, domestic-owned and foreign-owned banks in terms of asset quality; (4) there are no differences between government-owned and domestic-owned banks in terms of quality of earning asset, but there are significant differences between government-owned and foreign-owned banks, and, domestic-owned and foreign-owned banks in terms of quality of earning asset (EAR).

Table 4: Test of Between-Subjects Effects

Source		Type III Sum of Squares	Mean Square	F	Sig.
Corrected Model	ROA	.027[a]	.014	60.236	.000
	NPLGross	.001[b]	.000	.798	.451
	LATD	10.962[c]	5.481	10.693	.000
	AsetProd	1.161[d]	.580	16.340	.000
Intercept	ROA	.236	.236	1041.873	.000
	NPLGross	.196	.196	314.981	.000
	LATD	670.150	670.150	1307.397	.000
	AsetProd	380.869	380.869	10722.649	0.000
Ownership	ROA	.027	.014	60.236	.000
	NPLGross	.001	.000	.798	.451
	LATD	10.962	5.481	10.693	.000
	AsetProd	1.161	.580	16.340	.000
Error	ROA	.107	.000		
	NPLGross	.295	.001		
	LATD	242.965	.513		
	AsetProd	16.837	.036		
Total	ROA	.360			
	NPLGross	.497			
	LATD	917.814			
	AsetProd	404.496			
Corrected Total	ROA	.135			
	NPLGross	.296			
	LATD	253.927			
	AsetProd	17.997			

Table 5: Multiple Comparisons

Dependent Variable		(I) Owner-ship	(J) Owner-ship	Mean Difference (I-J)	Sig.
ROA	Tukey HSD	Gov't	Private	.018015*	.000
			Foreign	.012777*	.000
		Private	Gov't	-.018015*	.000
			Foreign	-.005237*	.005
		Foreign	Gov't	-.012777*	.000
			Private	.005237*	.005
NPL	Tukey HSD	Gov't	Private	.001855	.779
			Foreign	.003736	.417
		Private	Gov't	-.001855	.779
			Foreign	.001881	.776
		Foreign	Gov't	-.003736	.417
			Private	-.001881	.776
LATD	Tukey HSD	Gov't	Private	.113949	.319
			Foreign	-.250501*	.009
		Private	Gov't	-.113949	.319
			Foreign	-.364450*	.000
		Foreign	Gov't	.250501*	.009
			Private	.364450*	.000
EAR	Tukey HSD	Gov't	Private	-.033738	.237
			Foreign	-.122933*	.000
		Private	Gov't	.033738	.237
			Foreign	-.089195*	.000
		Foreign	Gov't	.122933*	.000
			Private	.089195*	.000

Table 6 showed that profitability of government-owned banks is superior to foreign-owned banks and domestic-banks, and, foreign-owned banks are better than domestic-owned banks. Table 7 showed that on average all banks have the same level of credit quality. Table 8 showed that asset quality of foreign-owned banks is superior to government-owned and domestic-owned banks, but there are no differences between government-owned and domestic-owned banks. Table 9 showed that quality of earning asset of foreign-owned banks is superior to government-owned and domestic-owned banks, but there are no differences between government-owned and domestic-owned banks.

Table 6: Performance Difference on ROA

Ownership		N	Subset 1	Subset 2	Subset 3
Tukey HSD	Private	192	.014725		
	Foreign	141		.019962	
	Government	144			.032740
	Sig.		1.000	1.000	1.000

Table 7: Performance Difference on NPL

Ownership		N	Subset 1
Tukey HSD	Foreign	141	.018618
	Private	192	.020499
	Government	144	.022355
	Sig.		.384

Table 8: Performance Difference on LATD

Ownership		N	Subset 1	Subset 2
Tukey HSD	Private	192	1.037615	
	Government	144	1.151564	
	Foreign	141		1.402065
	Sig.		0.339	1.000

Table 9: Performance Difference on EAR

Ownership		N	Subset 1	Subset 2
Tukey HSD	Government	144	0.850231	
	Private	192	0.883969	
	Foreign	141		0.973164
	Sig.		0.255	1.000

V. DISCUSSION

5.1. Ownership Structure Affects Bank Profitability

Test of first hypothesis showed that ownership structure affects bank profitability. It means, there are significant differences between government-owned, domestic private-owned, and foreign-owned banks in terms of profitability. Ownership structure explains the commitment of the owner to save the company. It believed that ownership structure has influence business running, which in turn affect the company's performance in achieving its goal, i.e. to maximize company's value. As we know from Table 6, government-owned banks have superior profitability than domestic-owned and foreign-owned bank. In Indonesia, government-owned banks are more trusted by the public than other banks.

It is about the character of Indonesian society, which is more comfortable putting their funds in government-owned banks. Those banks have an advantage because there is a government subsidy, such as lending rate subsidy. Government-owned banks have a slight lower lending rate (12.57%) than other banks (14.86%). Lower lending rate results in an increasing number of customers who apply for credit. Furthermore, government-owned banks had total outstanding loans more than other banks. Rise in interest rate greatly concern by creditors because it makes tax of capital loan increases, without the support of smooth production and business, of course it will impact on bad debts. In Indonesia, micro-enterprises constitute the majority of Indonesian economy, so that banks should provide loans with low interest rate and thus micro businesses can continue to grow.

5.2. Ownership Structure Does Not Affect Bank Credit Quality

It has no difference of credit quality of government-, domestic private-, and foreign-owned banks (Table 7). It is caused by lending requirements of any banks are generally same. All banks consider character, capacity, capital, condition of economy, and collateral during credit analysis before giving them to potential debtors. Therefore, in giving credit, bank ownership does not affect bank credit quality.

For emerging markets in Latin America, foreign banks had improved asset quality in terms of credit underwriting and administration thus leading to lower non performing loan levels and higher reserve coverage of NPL. Foreign banks consistently showed stronger average loan growth than private domestic banks (Crystal et al. 2001).

Emerging markets, on average, domestic banks appear to more "aggressive" in their credit lending than foreign banks. Domestic banks hold significantly less liquid assets than foreign banks, and correspondingly hold more assets in the form of loans (Mian 2003).

This research focused on non performing loan as an indicator of bank credit quality. Gaining a better understanding of differences in nonperforming loan across ownership types would require the analysis of much more detailed data, which is beyond the scope of this review.

5.3. Ownership Structure Affects Bank Liquidity

Based on Table 8, there are no difference between government-owned banks and domestic private-owned banks in term of liquidity. The table showed that foreign-owned banks are the most liquid banks in Indonesia. Based on Table 10 and Table 11 we can see that the average liquidity of government banks and domestic private banks are not much different, i.e. 1.151564 and 1.037615 respectively. While based on Table 12 the average liquidity of foreign bank liquidity is much different from the two other bank groups, i.e. 1.402065. Overall, the three groups of banks are liquid due to more assets that are classified as liquid asset compared to total deposits.

Table 10: Descriptive Statistic of Government-owned Banks

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	144	.0001	.0627	.032740	.0110619
NPL	144	.0005	.1036	.022355	.0183636
LATD	144	.3796	2.5134	1.151564	.2484941
EAR	144	.6161	1.0952	.850231	.0672465

Table 11: Descriptive Statistic of Domestic Private-owned Banks

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	192	-.1290	.0542	.014725	.0152626
NPL	192	.0000	.4096	.020499	.0330681
LATD	192	.2574	7.0982	1.037615	.5460444
EAR	192	.5466	1.1797	.883969	.0802411

Table 12: Descriptive Statistic of Foreign-owned Banks

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	141	-.0775	.0555	.019962	.0180249
NPL	141	.0000	.0787	.018618	.0165634
LATD	141	.2025	6.5845	1.402065	1.1249925
EAR	141	.1701	3.2083	.973164	.3268908

Banks collect deposits from customers and invest these funds into long-term and illiquid assets, such as loans. As a result, banks could be vulnerable to liquidity problems arising from liability side of their balance sheet. When customers are cashing their deposits, banks must liquidate their illiquid assets. In the history of the crisis, many banks have failed not because of a lack of profits, but because of short-term liquidity problems. Due to liquidity problems of some banks during global financial crisis re-emphasized, it is very important for the proper functioning of financial markets and banking sector.

Liquidity of government and domestic banks had no difference due to monetary policy adopted by the same central banks related to national liquidity. In Indonesia, central bank sets interest rate policy called Bank Indonesia (BI) rate. The interest rate is expected to be a reference rate for market participants to engage in economic activities. The current monetary policy instruments consisting of Bank Indonesia securities, Bank Indonesia's standing facilities and minimum reserve requirement. The use of Bank Indonesia securities are made through open market operations, consisting of Bank Indonesia certificates and term deposits (Wuryandani et al. 2014).

Foreign banks have the advantage of access to "external liquidity" of the parent bank that lowers the cost of their deposits. This lowers the cost (risk) of deposits and improves banking stability in emerging markets. The parent banks provide liquidity insurance, and also have capital at risk to ensure prudence in developing countries. Layer hierarchy and remote communication implies that top management at the parent bank could not provide much flexibility to foreign banks locally. In essence, foreign banks are in Indonesia to obtain protection liquidity of the parent bank, although there is a layer of hierarchy and remote communication (Mian 2003).

5.4. Ownership Structure Affects Bank Quality of Earnings Asset

Based on Table 9, there are no difference between government-owned banks and domestic private-owned banks in term of earnings asset quality. The table showed that foreign-owned banks have the highest quality of earnings asset in Indonesia.

Foreign banks in Indonesia are considered to have greater access in terms of capital and liquidity, especially access to the parent bank in home country, so as to strengthen banks' balance sheet. Knowledge, skills, and mastery of technology can contribute to risk management control. Asset quality means creditworthiness of bank loans and investments; adequacy of credit policies and procedures; adequacy of loan loss reserve policies and levels; and level of impaired assets to capital and reserves. Possible implication of foreign banks such as improved credit underwriting and administration leading to lower nonperforming loan levels and higher reserve coverage of NPLs (Crystal et al. 2001).

CONCLUSIONS

The contribution of government-owned banks is quite significant to banking industry in Indonesia. The share of assets reached the biggest portion of total assets, loans, and third party funds. Based on our research, government banks also been the most profitable banks. They are also the strongest and most resilient banks in the face of current turmoil in Indonesia. Government-owned banks are resistant to shocks. It was because of their exposure to unhedged foreign currencies remains low and has a strong cushion that can absorb losses. The role of government-owned banks is also very significant because the contribution to reach biggest portion of total working capital loans and investment loans. In many strategic sectors of Indonesian economy, government-owned banks have been a dominant contributor of growth. It contribution to credit is the biggest portion of economic growth. This situation clearly illustrates the role of government banks as agent of development.

The role of private banks in the national economy of Indonesia is still very limited. Various policies have been taken to strengthen the national private banks, especially by encouraging the process of merger or consolidation. Based on our research, the role of private domestic banks have not been dominant than government- and foreign-owned banks.

Government-owned and domestic private-owned banks looked more aggressive in providing loan than foreign-owned banks. In other side, they tend to have fewer liquid assets than foreign-owned banks and they have more assets in the form of credit. But, although government banks and private banks are

giving more lending than foreign banks, their credit qualities are not significantly different. Nevertheless, government-owned banks earned more profits than foreign-owned banks.

Our analysis showed that there are significant differences between government-owned, domestic-owned, and foreign-owned banks in terms of profitability. Ownership structure does not affect credit quality of government-, domestic-, and foreign-owned banks. There are no difference between government-owned banks and domestic-owned banks in term of liquidity and asset quality. Our analysis showed that foreign-owned banks have highest liquidity and quality of earnings asset in Indonesia.

In Indonesia, at the macro level, the presence of foreign banks is indispensable in order to sustain national economy. However, the growing market share of foreign banks has the potential to hoist the repatriation of foreigners, as well as threaten the current account deficit widening. We estimate that foreign ownership of total capital of banking sector is increasing at the moment. Thus, some of banking profits allegedly fled abroad, although based on our research, government-owned banks are still dominant. Government should immediately make the appropriate regulation so that the presence of foreign banks can provide benefits for Indonesia, especially in curbing foreign repatriation. Nevertheless, the role of presence of foreign banks in Indonesia still needs to be further investigated.

REFERENCES

[1]. Berger, A.N., Hasan, I. & Zhou, M., 2009. Bank ownership and efficiency in China: What will happen in the world's largest nation? Journal of Banking and Finance, 33(1), pp.113–130. Available at: http://dx.doi.org/10.1016/j.jbankfin.2007.05.016.

[2]. Bonin, J.P., Hasan, I. & Wachtel, P., 2005. Bank performance, efficiency and ownership in transition countries. Journal of Banking and Finance, 29(1 SPEC. ISS.), pp.31–53.

[3]. Chen, S.-H. & Liao, C.-C., 2011. Are foreign banks more profitable than domestic banks? Home- and host-country effects of banking market structure, governance, and supervision. Journal of Banking & Finance, 35(4), pp.819–839. Available at: http://linkinghub.elsevier.com/retrieve/pii/S0378426610004358.

[4]. Crystal, J., Dages, B. & Goldberg, L., 2001. Does foreign ownership contribute to sounder banks in emerging markets? The Latin American experience, Available at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=921614.

[5]. Dermiguc-Kunt, A. & Huizinga, H., 1999. Determinants of Commercial Bank Interest Margins and Profitability: Some International Evidence, Available at: http://documents.worldbank.org/curated/en/1999/05/2475060/world-bank-economic-review-13-2.

[6]. DINC, I., 2005. Politicians and banks: Political influences on government-owned banks in emerging markets. Journal of Financial Economics, 77(2), pp.453–479. Available at: http://linkinghub.elsevier.com/retrieve/pii/S0304405X05000498.

[7]. Hadad, M.M. et al., 2003. Kajian Mengenai Struktur Kepemilikan Bank di Indonesia.

[8]. Mian, A., 2003. Foreign , Private Domestic , And Government Banks : New Evidence from Emerging Markets. Journal of Banking and Finance, (July), pp.1–46.

[9]. Siringoringo, R., 2012. Karakteristik dan Fungsi Intermediasi Perbankan di Indonesia. Buletin Ekonomi Moneter Dan Perbankan, 15(1), pp.61–83. Available at: http://www.perpustakaan.depkeu.go.id/FOLDEREBOOK/BEMPVol15No1Juli2012.pdf#page=43.

[10]. Wuryandani, G. et al., 2014. Pengelolaan Dana Dan Likuiditas Bank 1. Buletin Ekonomi dan Perbankan.

★★★