

**FOUR ESSAYS ON COMPETITION, EFFICIENCY
AND BANK SOUNDNESS
IN THE INDONESIAN BANKING SECTOR**

A R U D D Y



**GRADUATE SCHOOL
BOGOR AGRICULTURAL UNIVERSITY
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2018**

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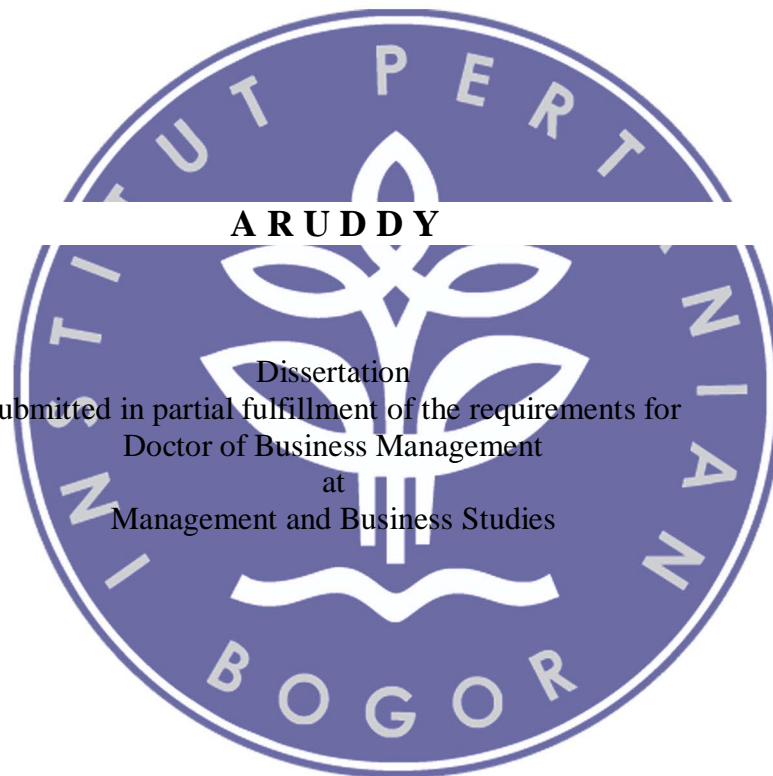
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A R U D D Y

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submitted in partial fulfillment of the requirements for
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at
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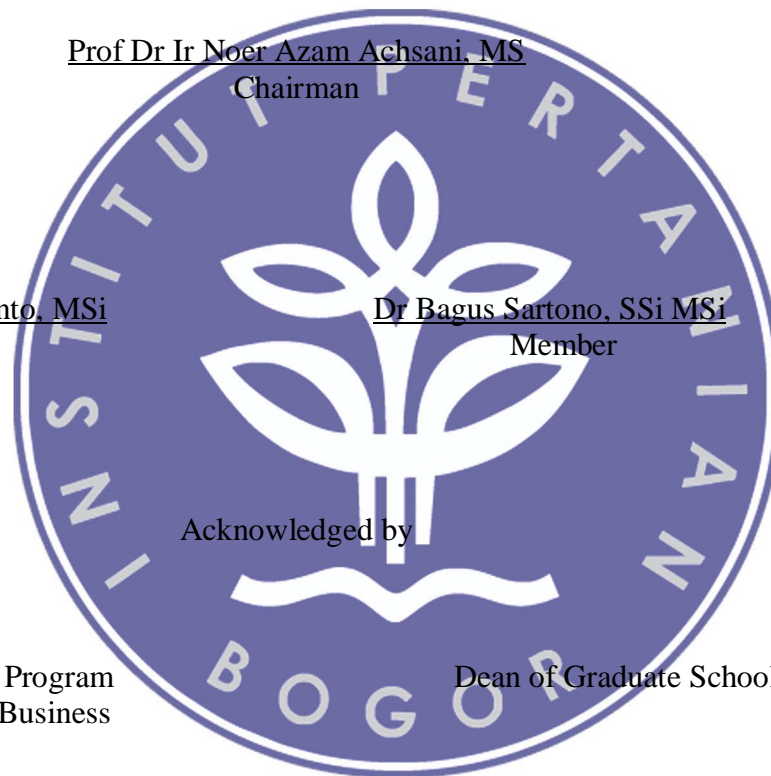
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All praise to Allah SWT who has been bestowing us with His mercies and blessings. May salawat and salam always deliver upon our prophet Muhammad SAW, with his companions and ummah.

The theme chosen in the study conducted since the month of May 2016 is bank competition, efficiency and bank soundness, with the title Four Essays on Competition, Efficiency and Bank Soundness in the Indonesian Banking Sector. The study is very important in encouraging and supporting the soundness of the Indonesian banking sector. The results of the study are not only beneficial to regulators, practitioners and investors, but also beneficial to academicians who interested in conducting studies in the banking sector in particular and the financial sector in general. Author argues that the quality of this study is parallel to the prior studies conducted for the banking sectors in developed countries, so that the results of the study can be compared well.

This study demonstrates the importance of proper regulation and appropriate response by bank managers in order to improve the soundness of banks so that the banking sector is able to pass through the crises that may occur in the future. Some important policy and managerial implications have been clearly articulated to make it easier for related parties to follow up, such as policies on the supervision, regulation and also related to the quality of managerial decisions and risk management improvement.

Author encourages the extension and deepening of the study on the Indonesian banking sector, because this sector has a very important role in promoting economic growth and welfare in accordance with the mandate of banking law. For that purpose, this dissertation has explicitly stated things that are still open for further studies to cover the gaps that still exist in this study. The scope of future studies may extend to group of non-foreign exchange bank, sharia banking or deepening of the analysis by category of *Bank Umum Kegiatan Usaha* (BUKU) as per OJK criteria and governance aspects.

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