

MARKET INTEGRATION IN ASEAN: SUSTAINABLE GROWTH AND CROSS - CULTURAL ISSUES

Ho Chi Minh City, Vietnam | 18th - 20th March 2016



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CROSS CULTURAL ISSUES**

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Department on Management
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University Ho Chi Minh City (USSH, VNU-HCM), Vietnam

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MARKET INTEGRATION IN ASEAN: SUSTAINABLE GROWTH AND CROSS CULTURAL ISSUES

Editors:

Dudi Anandya, PhD.

Edithia Ajeng P, SE.

Phan Thi Hong Xuan, Prof. PhD.

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Huynh Ngoc Thu, Dr. (USSH, VNU-HCM)

Tran Anh Tien, Dr. (USSH, VNU-HCM)

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- ❖ **Department of Management, Faculty of Business & Economics,
University of Surabaya**

Jl. Raya Kalirungkut

Surabaya, Indonesia 60293

Phone: +62-31-2981139; Fax : +62-31-2981239

- ❖ **University of Social Sciences and Humanities, Vietnam National
University Ho Chi Minh City, Vietnam**

10-12 Dinh Tien Hoang, Ben Nghe Ward, District 1, HCMC

Phone: (84 - 8) 38293828; Fax: (84 - 8) 38221903

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FOREWORD

It is with deep satisfaction that I write this Foreword to the Proceedings of *THE 13TH INTERNATIONAL ANNUAL SYMPOSIUM ON MANAGEMENT* (INSYMA) held at University of Social Sciences and Humanities, Vietnam National University - Ho Chi Minh City, Vietnam, March 18 -20, 2016. The 13th Insyma aims to provide a forum for discussion among leading academics, researchers, students, and practitioners from all over the world, experts in economic and social sciences.

The theme for INSYMA 2016 is **“MARKET INTEGRATION IN ASEAN: SUSTAINABLE GROWTH AND CROSS CULTURAL ISSUES”**. This theme represent emerging and highly challenging and opportunities area of research and practice.

There has been tremendous number of researchers investigating the impact of market integration and cultural impacts on economy on several communities. Mainly they found a positive impact on the economic growth as a result on significant increasing of trading for products and services in its country member. Nevertheless, market disstabilization is still main disadvantage of the regional integration. Regional community needed to developed the new model of market integration system that could minimize the disadvantages. Hundreds of scientific papers are sent to the conference committees in Indonesia and in Vietnam, and the results of a rigorous selection of 160 selected. This paper is derived from a variety of authors, both within and outside Indonesia and Vietnam, academics and practitioners. All the articles are then presented at the symposium and documented in this proceedings.

We thank all authors, participants, sponsors and co-hosts for their contributions and we hope that these proceedings can contribute to the development of science and business practices. Hopefully you can enjoy and gain valuable lessons from this article collection.

Ho Chi Minh, Vietnam, 18th-20th March 2016

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CD INDEX, A NEW METHODS FOR MEASURE BANKING CRISIS

Amir Ambyah Zakaria

Economic Faculty State University of Surabaya

Email: amirambyahzakaria@gmail.com

Musdholifah

Economic Faculty State University of Surabaya

Email: musdholifah@yahoo.com

Abstract

The global financial crisis has a bad impact for domestic financial systems. Banking system is important component from financials system which has more attention. Evidence from Indonesia crisis in 1998 from Asian currency crises, subprime mortgage America in 2008, the Volatility of US Economic in 2011, and slowdown china economic in 2015 that made systematic risk for financial systems and banking system in Indonesia. Crisis identification for individual bank is important to avoid systematic risk. Using Index for measuring banking crisis will give crisis signal before the crisis happen. Crisis and Default Index can predict and measure banking crisis more accurate than other measurement. The four components of banking risk crisis have been included. These components are liquidity risk, Credit risk, interest rate risk, and exchange rate risk. Furthermore, CD Index can describe duration of the crisis, periods of the crisis, and the component which can trigger a crisis. Samples of this research are all commercial banks that listed in Indonesian stock exchange period 2010-2014. The result is 18 banks which join Indonesian stock exchange have indicated crisis in 2011 and 2014. In 2010 BTN was identified Crisis, it caused the score of credit risk and investment risk is riskier than the others. Danamon bank has a bad score from credit component, it can trigger crisis in 2011. Then in 2012 and 2013 Sinarmas bank and J trust bank have been declared crisis. J trust bank was still in crisis in 2014, because it had a bad score for the all components.

Keywords: Banking crisis, CD Index, Liquidity Risk, Credit Risk

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1. Introduction

Global financial crisis have impact on all economic component. Banking system is most crucial sector that can influenced from financials crisis. According to Mehrez and Kaufman (1999) explain that banking sector must have more attention to avoid systemic risk. Global financial crisis like a pandemic has made bad effect to domestic economics

system (Hagen and Ho 2003b). Global financial crisis in 1998, 2008, and 2011 has made many banks in Indonesia collapse. The central bank and the government have the means to reduce a systematic risk. It was need a method to predict crisis.

The global economy in the beginning of 2014 until the end of 2015 has responded to China economics slowdown. The panic seen in China financials market, sliding Yuan, and stock trading suspension (Curran 2016). The GDP of China steady but always decrease from 12% in beginning 2010 until 7% at December 2015. The other hand the CSI 300 index has a bubble in 2015. It has great value was a peak in 2015 but fall about 30 percent at the end of 2015 (Publication Central Bank of Republic China 2015). The condition of China economic slowdown has a sentiment response from the other countries. It because china in the world's no 2 economic according to Christine Lagarde, managing director of the International Monetary Fund is telling about China slowdown impact for emerging economy. The developing countries such as Indonesia need to be vigilant to handle potential spillovers from China's slowdown and tightening of global financial conditions (Yan 2015).

Zhuang and Dowling (2002) explain that global sector can be affect to domestic economic sector. Indonesia has decline PDB from 2010 quarter 3. The PDB Indonesia has fallen from 7 % to 4,7% at the quarter 3 in 2015 (BPS 2015). JKSE index also has decline shortly from 5500 on May 2015 get down about 20% to 4300 on September 2015 (YahooFinance 2015). Tumble down stock price in general cause a lots of capital outflow increase (Zhuang and Dowling 2002; Lestano and Kuper 2003). The country which has declining PDB can call recession. Many research who use event base crisis identification has proven that decline PDB which has made systemic banking crisis (Demirgüç-Kunt and Detragiache 1998, 2000, 2002; Hardy and Pazarbasioglu 1998).

After economic of USA grow up and the federal reserved raise interest rate in 2015 that make US dollar come back to USA and many investor choice investment to USA (Russel and Appelbaum 2015). The impact for Indonesia to reserved foreign currency nearly gone. This condition would made domestic currency fall off. In 2015 rupiah always has depreciation. Rupiah has 9.800 per US dollar fall off in 2015 became 13.700 (Yahoo Finance 2015). Hagen and Ho (2003a) explain domestic currency depreciation made adjust of banking balance sheet every companies which has foreign liabilities.

2. Literature reviews

2.1 The series of financials crisis

Krugman (1979) argue that financials crisis a circumsised balance sheet problem. The crisis happens because the country nearly loses their reserve. The balance of payment have a crisis because speculator buy up and more reserved to take a benefit from this

condition. Flood and Garber (1984) explain that reserve and credit growth or domestic money supply. The speculator has known it and not until the reserved became empty. The definition of crisis at first came from reserves nearly lose. When the government try to use reserves to defend exchange rate is volatile, there can be crisis because the foreign currency has out of the country.

Obstfeld and Rogoff (1986) tell about financials crisis in European Union at 1982-1985. In the beginning of European Union the exchange rate is fixed but can move still 2,5% in up and down. All of the central bank defend their exchange rate with buy or sell currency. And will be move if cannot able to defend the value, a new standard for these country has assigned. The DM is a major and strong currency in that time because low inflation. Since Germany going to unity, market response to Germany growth is more than before. The Bundes bank raises interest rate and took DM over the country. After Bundes bank monetary policy all of country and market confirm their currency into a new value. The DM always looked in the market without clearly reason or just speculates. The DM gradually increases until the peak in end of 1983. Many banking system and companies are unable to payback in DM, so the DM fall sharply in the beginning 1984. The value of DM has back like Germany West and East. And it calls bubble.

In the 1997 Asian crisis has occurred by declining of all the Asian currency. All of the Asian currency fall down consecutive and for a long periods (Zhuang and Dowling 2002). On the other hand Reinhart et al. (2000) defined the Asian crisis not only problem about balance sheet but role of the supervision to preventing financials crisis is important. Main problem in the moral hazard is guaranteed bailout bank in trouble by government. It has bad impact for increase nonperforming loans.

2.2 Measurement banking crisis

For identification banking crisis can look at event based. It is easy and proves that the bank has a trouble in that period. Demirgüç-Kunt and Detragiache (1998, 2000, 2002) has claim a bank which crisis if has nonperforming loan is more than 10%. Hardy and Pazarbasioglu (1998) identified bank crisis if the bank suspend and has intervention from government. However the identification with event based is lack because cannot explain risk component which vulnerable to crisis.

Musdholifah (2013) contend a measure bank crisis with index has brought more benefit. The first index can show the banking risk component that trigger to crisis. Then the index explains duration of the crisis, and the next use index can measure crisis before crisis happen because the tolerance of crisis are depend by researcher.

Kibritcioglu (2002) build identification crisis with the name is Banking Sector Fragility or BSF. It has 3 components to measure banking crisis. The first is credit risk that measure

level of credit as productive asset, next is liquidity risk will evaluate banking liabilities as level of deposits, and the last is exchange risk that measure liabilities as a foreign debt. The formula of BSF as follow

$$BSF = \frac{\left(\frac{Credit_t - \mu_{credit}}{\delta_{credit}} \right) + \left(\frac{FX\ debt_t - \mu_{FLeverage}}{\delta_{FLeverage}} \right) + \left(\frac{Deposit_t - \mu_{deposit}}{\delta_{Deposit}} \right)}{3}$$

Where:

Credit_t = Amount credit from credit_{t-1}

FX debt_t = Amount Foreign Debt

Deposit_t = Amount Deposits from deposit_{t-1}

Kibritcioglu (2002) explain bank crisis if BSF score under means in the period or above means with plus three standard deviation. Bhattacharya and Roy (2009) was modified BSF index and substituted foreign currency risk with domestic interest rate risk. It called Banking Sector Soundness. It has three component measurement like BSF Index. The BSF index has a liquidity risk, credit risk, and interest rate risk. Bhattacharya and Roy (2009) explain interest rate risk is more vulnerable for developing country. The formula of Banking sector soundness as follow.

$$BSS = \frac{\left(\frac{Credit_t - \mu_{credit}}{\delta_{credit}} \right) + \left(\frac{Investment_t - \mu_{Investment}}{\delta_{Investment}} \right) + \left(\frac{Deposit_t - \mu_{deposit}}{\delta_{Deposit}} \right)}{3}$$

Where

Credit = (Credit_t – Credit_{t-1}) / Credit_{t-1}

Investment = (Investment_t – Investment_{t-1}) / Investment_{t-1}

Deposit = (Deposits_t – Deposits_{t-1}) / Deposits_{t-1}

Bhattacharya and Roy (2009) argue that banking crisis have negative score from formula BSS index. So the value of BSS index is binary. The bank has crisis if the BSS value ≤ 0 and the value is 1. The bank has non crisis if has BSS value is positive or BSS > 0. It will have value 0 for noncrisis category.

Musdholifah (2015) combined the BSS and BSF index with four component. The liquidity risk and credit risk are available in BSF and BSS Index. Exchange rate risk is available in BSF index however interest rates risk just available in BSS index so It can Combine component and identification crisis for more accurate methods. On the other hand 4 components which include can describe banking condition per periods. The first is

liquidity risk has impact with trust of the depositor. Next is credit risk could show about earning, then interest rate risk show internal bank with volatile macro-economics, and the last exchange rate risk will show impact of global condition. This methods call Crisis and Default Index with 4 component measure crisis. CD Index formula as bellow:

$$CDIndex = \frac{\left(\frac{Cr_t - \mu_{credit}}{\delta_{credit}}\right) + \left(\frac{Inv_t - \mu_{inven}}{\delta_{investment}}\right) + \left(\frac{Dept_t - \mu_{de}}{\delta_{Deposit}}\right) + \left(\frac{FDebt_t - \mu_{F.debt}}{\delta_{F.debt}}\right)}{4}$$

Where

$$Cr = (Credit_t - Credit_{t-1}) / Credit_{t-1}$$

$$Inv = (Investment_t - Investment_{t-1}) / Investment_{t-1}$$

$$Dept = (Deposits_t - Deposits_{t-1}) / Deposits_{t-1}$$

$$Fdebt = (Foreign Debt_t - Foreign Debt_{t-1}) / Foreign Debt_{t-1}$$

The bank crisis assume if $CDI < 0$ or has negative score. If the bank has $CDI > 0$ the bank has recover or safe from crisis threat. The values of CD Indexes are 0 and 1. If bank has negative score will mark as 1 or crisis and the bank which has positive value CD index will mark 0 for non-crisis. Value 1 and 0 can be used for logistic regression, but if want to see most vulnerable bank which has crisis can use ranking each periods. Using ranking show moving performance and revive from crisis periods before.

3. Research Methods

This research use descriptive statistics for measure banking crisis. The method is combine liquidity risk, credit risk, exchange rate risk, and the last is interest rate risk. Four components have made trigger for banking crisis. This method can show the most risk component that cause trouble in banking system. The combine 4 component will give score and explain every banking in Indonesia run into Banking Risk.

The population of this research is all of the banks in Indonesia. The sample of this research is a purposed sampling of the banks who are listed in Indonesian Stock Exchange from 2010 until 2014. Amount of the bank has listed in Indonesian Stock Exchange are 27 banks. The data is a financials report audited by public accounting in Indonesia Stock Exchange webpage.

4. Result

<Table 1 and Table 2 bellow in appendix>

5. Discussion

Figure 1 explains 14 banks has otherwise crisis. And figure 2 has showed in 2010 BTN is got a high probability crisis. The main score is $-1,15$. The crisis in bank BTN cause credit with the score is $-3,24$ and the financials investment score is $-1,38$. This value is so poor than the other bank change in credit and investment score. Pundi Indonesian bank has identified crisis too. It probability crisis because had negative score for precise the main score CD Index of Pundi Indonesian bank is $-0,75$. Crisis in Pundi bank that caused credit score is $-2,56$ and the deposit score is $-1,77$.

In 2011 there are 18 banks has identified crisis. The most crisis bank in 2011 is Danamon bank with the main score of CD Index is $-0,67$. Credit factor and score of financials investment has a under value than other bank. Danamon bank identified possibility crisis because the financial investment score, credit score and deposit score is so small than the other bank in 2011. Then QnB Kesawen bank has possibility crisis because the financials investment score vulnerable and trigger the crisis possibility. Next is Bukopin bank with the value $-0,49$ in main CD Index Score. Fall down financials investment score for about $-1,35$ and fall down from the credit score is about $-0,43$ it so weak score from the other bank that cause Bukopin Bank identified more probably crisis banking.

Sinarماس bank, Mega bank, BCA and other 9 bank was occurred probably crisis in 2012. Sinarماس bank has $-1,21$ in main CD Index score. Probably Crisis in Sinarماس bank was cause credit and deposit score has a bad value than the other bank. Mega Bank got $-1,06$ in CD Index score. It was crisis because three component has a bad score there are foreign debt, credit, and financials investment. BCA also has a fall down score that make it possibility crisis. The CD index of BCA in 2012 is $-0,83$ it because foreign debt fall down with value $-2,43$ also $-0,76$ in liquidity risk it was slow alteration from the other bank.

In 2013 there are 12 bank has crisis. The Artha Graha bank most crisis cause had a bad score for all component it has identified crisis with the CD Index $-0,77$. If look at the table 3 about ranking of probably crisis, the Sinarماس bank has a revive form crisis in previous year. But in the 2013 bank Sinarماس still occurred probably crisis but the score is lower from the last period. J trust bank or the previous name is Century bank identified crisis in 2013 with the CD index is $-0,74$. J trust bank has a bad score for credit and its deposit is lower moving than other bank in 2013.

J trust bank still crisis in 2014. In figure 2 show J trust bank in the peak of rank probability crisis. In 2014 CD index of J trust bank increase from $-0,74$ at 2013 become $-1,01$ in the 2014. In 2014 J trust bank has a bad score for all components in CD index. The probability crisis in J trust bank in 2014 main cause is fall down credit about $-1,24$ and fall down deposits about $-1,03$ also other risk component has a negativ score. In the 2014

found 18 banks are crisis. But J trust bank has a lowest score than the other. But many bank has identified crisis in previous periods has revived, for example Artha Graha International Bank, Sinarmas Bank, Danamon Bank, and BTN.

6. Conclusion

Crisis and Default Index is a method for measure banking crisis which build from four risks component indicator. There are liquidity risk, credit risk, currency exchange risk, and volatile interest rate. It can use for every bank because all of risk component available in banking system. CD Index can measure the most vulnerable risk that impact crisis happen. The other benefit of CD Index method is can show the cycle of period crisis and recovery from crisis individual bank in Indonesia. From calculate CD Index it has shown 14 bank in 2010 has been identified crisis with BTN is most possibility, in 2011 Bukopin Bank and 17 other bank probability crisis, in 2012 there are 11 bank be avowed crisis which Mega Bank and BCA has high probability crisis, in 2013 the Artha Graha and J trust bank was identified crisis but Sinarmas bank has a revive crisis from previous year. For 2014 J trust still identified and riskier crisis than the other bank in that periods.

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Appendix

Table 1. Risk Component Each Bank in Indonesia

	Foreign debt				Deposit				Credit				Financial Investment			
	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014	2014
BMRI	0.72	-0.19	0.10	1.41	-0.19	-0.04	-0.40	-0.63	-0.07	0.26	0.07	-0.35	-0.05	-0.10	-0.05	-0.49
BBNI	-0.19	-0.12	0.10	1.96	-0.19	-1.22	-0.33	-0.73	-0.37	-0.20	-0.28	-0.37	-0.17	-0.05	-0.28	-0.30
BBRI	-0.71	-0.21	-0.29	-0.87	-0.19	0.35	-0.23	0.27	-0.18	0.54	-0.07	-0.37	-0.13	-0.07	-0.06	-1.37
BBTN	-0.21	-0.22	0.16	-0.20	-0.19	0.22	-0.32	0.86	-0.10	-0.62	3.25	2.64	0.11	-0.11	0.00	-1.39
AGRO	-0.21	-0.22	0.16	-0.20	-0.19	-0.99	-0.29	0.87	-2.74	-0.39	-0.66	-0.43	0.75	0.56	0.65	1.04
INPC	-0.21	-0.22	0.16	-0.20	-0.19	-0.37	-0.29	-0.69	-0.57	-0.29	-0.53	-0.37	-0.49	-0.83	-0.22	-0.77
BKPN	-0.42	-0.22	3.31	-0.94	-0.19	0.34	-0.10	-0.23	-0.55	0.07	0.09	-0.32	-0.71	-0.64	-0.05	1.92
BABP	-0.21	-0.22	0.16	-0.20	-0.19	0.29	-0.68	0.34	-0.24	-0.16	-0.10	-0.47	-1.25	-0.64	-0.06	0.11
BBCA	-1.77	0.36	-2.43	0.60	5.00	-0.59	-0.28	-0.76	-0.06	0.15	0.18	-0.33	0.13	-0.15	-0.22	-0.55
BNGA	0.42	-0.17	0.05	0.60	-0.19	-1.72	-0.27	0.04	-0.38	-0.61	0.17	-0.37	-0.56	-0.56	-0.10	-0.49
BDMN	0.40	-0.19	0.77	3.36	-0.19	-0.46	-0.32	-0.95	-0.01	-0.65	0.18	-0.38	-1.01	-0.40	-0.61	0.66
BNII	-0.21	-0.22	1.02	-1.50	-0.19	0.64	-0.25	0.68	0.15	-0.92	0.45	-0.35	-0.30	0.01	-0.65	-0.57
BKSW	-0.21	-0.22	0.16	-0.20	-0.19	-0.70	-0.21	2.07	3.44	4.02	0.04	-0.35	1.89	4.49	3.57	2.45
MAYA	-0.21	-0.22	0.16	-0.20	-0.19	0.23	0.02	1.35	0.76	0.77	0.00	-0.30	0.87	0.66	1.69	-0.31
MEGA	0.62	-0.22	-0.98	-1.81	-0.19	0.37	-0.06	-0.14	-0.20	-0.63	0.28	-0.33	-2.18	-0.42	-0.18	0.45
BCIC	-0.21	-0.22	0.16	-0.20	-0.19	1.28	-0.07	-0.11	-1.03	-0.80	0.82	-0.20	-0.28	-1.12	-2.25	-0.83
BBNP	-0.21	-0.22	0.16	-0.20	-0.19	0.92	-0.14	-0.22	0.40	-0.77	0.70	-0.34	-0.14	-0.19	-1.04	-0.25
NISP	-0.21	-0.22	0.16	-0.20	-0.19	-0.15	-0.27	2.14	0.61	-0.36	0.39	-0.34	0.16	-0.16	-0.43	-0.20
PNBN	4.49	-0.23	0.25	0.55	-0.19	0.28	-0.38	-0.47	-0.03	0.12	0.60	-0.36	0.42	-0.45	-0.33	-0.49
BNLI	-0.64	-0.25	-2.44	-0.20	-0.19	-1.97	0.13	0.44	0.78	-0.38	-0.30	3.40	0.63	-0.12	-0.51	0.66
BSIM	-0.21	-0.22	0.16	-0.20	-0.19	0.84	0.16	-2.77	-1.07	1.71	0.32	-0.29	-1.27	-0.67	0.79	-0.57
BSWD	-0.21	-0.22	0.16	-0.20	-0.19	-0.91	0.08	0.19	0.49	0.49	-0.33	-0.33	0.22	0.47	0.40	2.45
BEKS	-0.21	-0.22	0.16	-0.20	-0.19	-1.77	4.88	0.48	-0.20	-0.81	-2.56	2.14	1.93	-0.12	-0.88	-0.31
BIPN	-0.21	-0.22	0.16	-0.20	-0.19	0.66	0.18	-0.39	-0.25	-0.82	0.89	-0.34	0.28	-0.24	-0.12	0.45
BVIC	-0.21	-0.22	0.16	-0.20	-0.19	1.72	-0.38	0.13	0.25	-0.19	-0.06	-0.22	0.62	0.75	-0.22	-0.83
BACA	-0.21	-0.22	0.16	-0.20	-0.19	1.58	-0.45	-0.80	1.13	0.24	0.94	-0.43	1.99	0.24	0.60	-0.25
MCOR	-0.21	-0.22	0.16	-0.20	-0.19	1.17	0.30	-0.96	0.65	0.24	2.01	-0.27	-1.43	-0.12	0.54	-0.20

Source : Researcher

Table 2. The CD Index* Score Each Bank

	CD Index category crisis and uncrisis					Main Score of CD Index				
	2010	2011	2012	2013	2014	2.010	2.011	2.012	2.013	2.014
BMRI	0	1	0	0	1	0,38	-0,30	0,02	0,21	-0,12
BBNI	1	1	0	0	1	-0,24	-0,26	0,24	0,08	-0,24
BBRI	1	1	0	1	1	-0,22	-0,19	0,30	-0,48	-0,27
BBTN	1	0	0	1	1	-1,15	0,61	0,77	-0,39	-0,55
AGRO	1	1	0	1	0	-0,74	-0,23	0,32	-0,51	0,28
INPC	1	1	0	1	1	-0,40	-0,16	0,16	-0,77	-0,37
BKPN	1	1	0	1	0	-0,06	-0,50	0,54	-0,71	0,44
BABP	1	1	1	0	1	-0,27	-0,40	-0,22	0,02	-0,07
BBCA	1	0	1	0	0	-0,55	0,01	-0,84	0,22	1,10
BNGA	1	1	1	0	1	-0,18	-0,34	-0,29	0,03	-0,35
BDMN	0	1	1	0	1	0,26	-0,68	-0,53	0,89	-0,20
BNH	0	0	1	1	1	0,62	1,25	-0,40	-0,58	-0,58
BKSW	1	1	0	0	0	-0,32	-0,51	1,09	2,31	2,46
MAYA	0	0	0	0	0	0,39	0,44	0,20	0,72	0,49
MEGA	0	1	1	1	1	0,15	-0,12	-1,06	-0,39	-0,14
BCIC	0	1	0	1	1	0,66	-0,19	0,09	-0,74	-1,02
BBNP	0	0	0	1	1	0,09	0,03	0,15	-0,20	-0,56
NISP	1	1	0	1	1	-0,34	-0,05	0,71	-0,15	-0,30
PNBN	0	1	1	0	1	1,45	-0,38	-0,12	0,13	-0,23
BNLI	1	0	1	0	1	-0,35	0,36	-0,58	0,27	-0,11
BSIM	0	0	1	1	0	0,64	0,07	-1,21	-0,73	0,44
BSWD	1	1	0	0	0	-0,47	-0,43	0,21	0,57	0,79
BEKS	1	0	0	0	1	-0,76	2,27	0,24	0,28	-0,55
BTPN	0	1	1	0	1	0,17	-0,06	-0,22	0,04	-0,17
BVIC	0	1	0	0	1	0,54	-0,28	0,37	0,05	-0,36
BACA	0	1	0	0	0	0,31	-0,07	0,53	0,09	0,10
MCOR	0	0	1	1	0	0,40	0,11	-0,46	-0,28	0,10

*The fullfilment CD Index there are if CDI score ≤ 0 or negatif it will fill 1 as the meaning posibility crisis and if CDI score >0 or positive value it meaning crisis not happen or bank has recover from crisis.

Source : Researcher

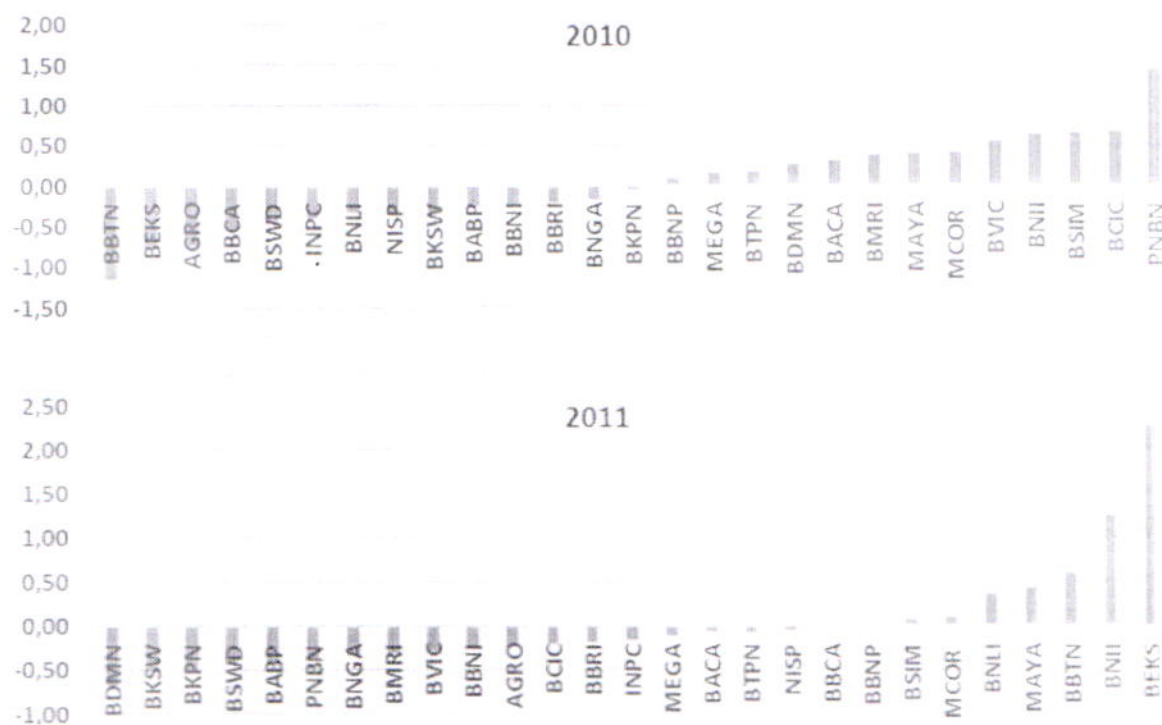
Figure 1. Amount of Bank Crisis*Source: researcher***Table 3.** Rank of Probability Crisis Each Periods

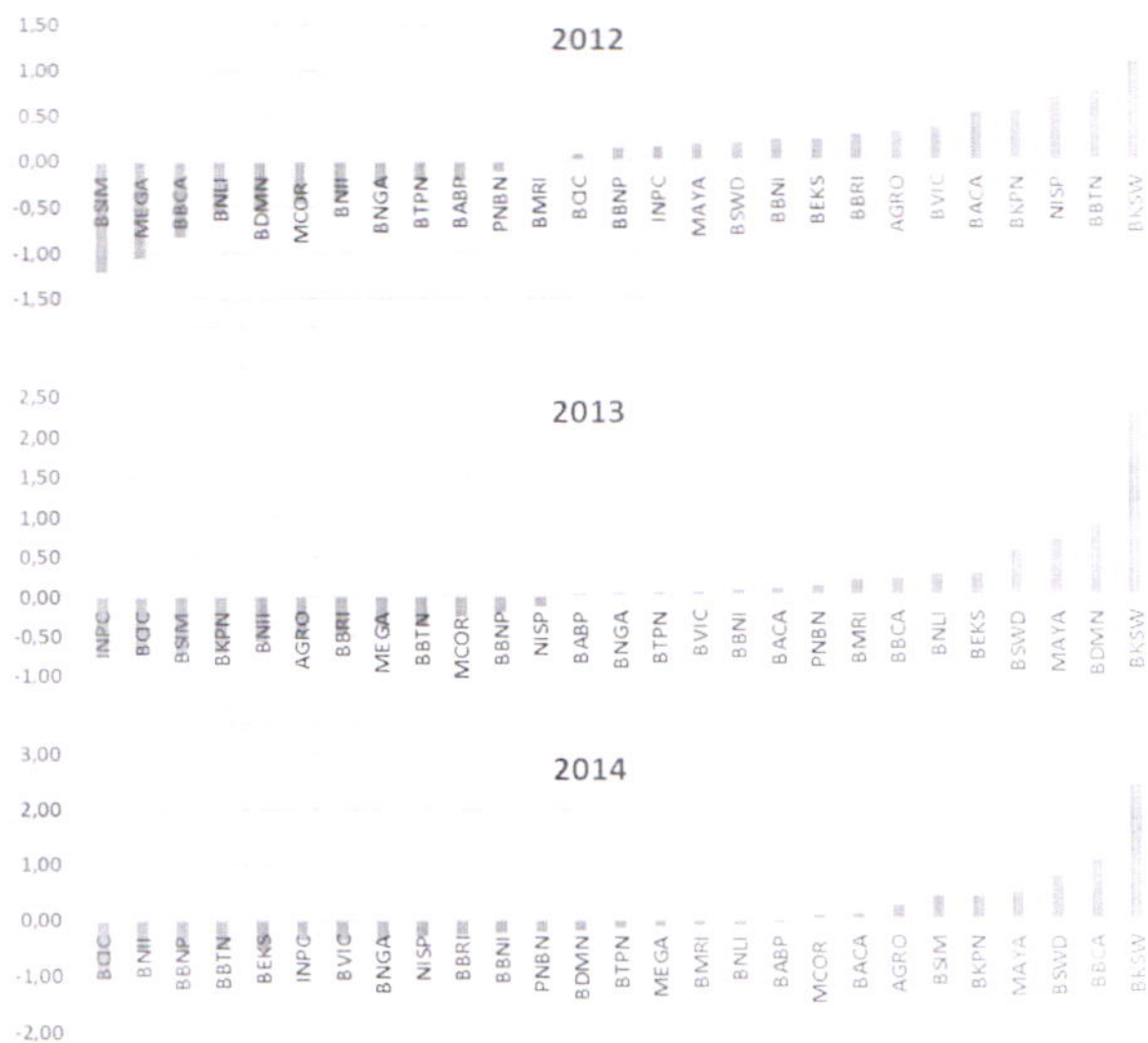
Rank	2010		2011		2012		2013		2014	
1	BBTN	-1,15	BDMN	-0,68	BSIM	-1,21	INPC	-0,77	BCIC	-1,02
2	BEKS	-0,76	BKSW	-0,51	MEGA	-1,06	BCIC	-0,74	BNII	-0,58
3	AGRO	-0,74	BKPN	-0,50	BBCA	-0,84	BSIM	-0,73	BBNP	-0,56
4	BBCA	-0,55	BSWD	-0,43	BNLI	-0,58	BKPN	-0,71	BBTN	-0,55
5	BSWD	-0,47	BABP	-0,40	BDMN	-0,53	BNII	-0,58	BEKS	-0,55
6	INPC	-0,40	PNBN	-0,38	MCOR	-0,46	AGRO	-0,51	INPC	-0,37
7	BNLI	-0,35	BNGA	-0,34	BNII	-0,40	BBRI	-0,48	BVIC	-0,36
8	NISP	-0,34	BMRI	-0,30	BNGA	-0,29	MEGA	-0,39	BNGA	-0,35
9	BKSW	-0,32	BVIC	-0,28	BTPN	-0,22	BBTN	-0,39	NISP	-0,30
10	BABP	-0,27	BBNI	-0,26	BABP	-0,22	MCOR	-0,28	BBRI	-0,27
11	BBNI	-0,24	AGRO	-0,23	PNBN	-0,12	BBNP	-0,20	BBNI	-0,24
12	BBRI	-0,22	BCIC	-0,19	BMRI	0,02	NISP	-0,15	PNBN	-0,23
13	BNGA	-0,18	BBRI	-0,19	BCIC	0,09	BABP	0,02	BDMN	-0,20
14	BKPN	-0,06	INPC	-0,16	BBNP	0,15	BNGA	0,03	BTPN	-0,17
15	BBNP	0,09	MEGA	-0,12	INPC	0,16	BTPN	0,04	MEGA	-0,14
16	MEGA	0,15	BACA	-0,07	MAYA	0,20	BVIC	0,05	BMRI	-0,12
17	BTPN	0,17	BTPN	-0,06	BSWD	0,21	BBNI	0,08	BNLI	-0,11
18	BDMN	0,26	NISP	-0,05	BBNI	0,24	BACA	0,09	BABP	-0,07
19	BACA	0,31	BBCA	0,01	BEKS	0,24	PNBN	0,13	MCOR	0,10
20	BMRI	0,38	BBNP	0,03	BBRI	0,30	BMRI	0,21	BACA	0,10
21	MAYA	0,39	BSIM	0,07	AGRO	0,32	BBCA	0,22	AGRO	0,28
22	MCOR	0,40	MCOR	0,11	BVIC	0,37	BNLI	0,27	BSIM	0,44
23	BVIC	0,54	BNLI	0,36	BACA	0,53	BEKS	0,28	BKPN	0,44
24	BNII	0,62	MAYA	0,44	BKPN	0,54	BSWD	0,57	MAYA	0,49
25	BSIM	0,64	BBTN	0,61	NISP	0,71	MAYA	0,72	BSWD	0,79
26	BCIC	0,66	BNII	1,25	BBTN	0,77	BDMN	0,89	BBCA	1,10
27	PNBN	1,45	BEKS	2,27	BKSW	1,09	BKSW	2,31	BKSW	2,46

Source : Researcher

Table 4. Sample of research

MEGA	Mega	BMRI	Bank Mandiri
BCIC	J Trust or Century Bank	BBNI	Bank BNI
BBNP	Nusantara Parahyangan	BBRI	Bank BRI
NISP	OCBP NISP	BBTN	Bank BTN
PNBN	Pan Indonesia	AGRO	Bank BRI Agroniaga
BNLI	Permata	INPC	Artha Graha Internasional
BSIM	Sinarmas	BKPN	Bukopin
BSWD	Bank Of India Indonesia	BABP	MNC
BEKS	Bank Pundi Indonesia	BBCA	Bank Central Asia
BTPN	Bank Tabungan Pensisunan Negara	BNGA	CIMB Niaga
BVIC	Victoria	BDMN	Danamon
BACA	Capital	BNII	Maybank Indonesia
MCOR	Windu	BKSW	QnB Kesawan
		MAYA	Mayapada

Figure 2. The Histogram Possibility Crisis



Source: Researcher