

ABSTRACT

The Effect of Asset Liabilities Management on Strategy and Banking Performance on the East Kalimantan Regional Development Bank

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The purpose of this study was to examine and analyze the effect of liquidity management, capital management and pricing management on the East Kalimantan Regional Development Bank strategy and performance.

The study was carried out commencing from 2000 up to 2003 involving 12 Regional Development Bank branches. The data collected were analyzed by using Structure Equations Modeling (SEM) technique, and then processed by AMOS 4.01 to test the hypotheses.

The result showed the following:

1. The liquidity management had significant effect on the East Kalimantan Regional Development Bank strategy.
2. The capital management was significantly effect on the East Kalimantan Regional Development Bank strategy.
3. The pricing management exerted significant effect on the East Kalimantan Regional Development Bank strategy.
4. The Banking strategy possessed significant effect on the East Kalimantan Regional Development Bank performance.
5. All exogenous variables have significant effect on banking strategy and banking performance on the East Kalimantan Regional Development Bank.

The findings of the study became important empirical evidence regarding on the east Kalimantan Regional Development Bank management.

Key words : *Liquidity management, Capital management, Pricing managemen, Banking strategy and Banking performance*