

Comparison of Formation Sensitivity Gap between Islamic Maybank Indonesia and Islamic Maybank Malaysia

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Abstract : Theoretically, Islamic banks in Indonesia and Malaysia not necessarily aware to the interest rate fluctuation, since they don't use interest-based instruments. Both countries use dual banking system in which Islamic and conventional banking system are exist. This situation makes the profit-sharing level of the Islamic banks will be indirectly affected by the interest rate fluctuation from the conventional banks system. One of the risk management tools for anticipating the risk of interest rate fluctuation is gap management, which has purpose to narrow the difference between Rate Sensitive Asset (RSA) and Rate Sensitive Liability (RSL). This formed gap will give the information about the risk potential in Islamic banks which respect to the fluctuation on the interest rate. This study aims to determine the position of the gap formed at Islamic Maybank Indonesia and Islamic Maybank Malaysia, and analyze the difference in the formation of gap based on the period of sensitivity. This study is a quantitative research with comparative study using sensitivity gap analysis, independent sample t-test, and Mann-Whitney method. The data being used was secondary data from Maturity Profile contained in the Annual Financial Report of Islamic Maybank Indonesia and Islamic Maybank Malaysia from 2011 to 2015 period. The result shows that, cumulatively the formation of the gap was negative gap. From the results of independent sample t-test and Mann-Whitney, the formation of the gap in Islamic Maybank Indonesia and Islamic Maybank Malaysia for a period of sensitivity of ≤ 1 month and $>1-3$ months show a significant difference, while the period of sensitivity $>3-12$ months does not. The result shows, even though Indonesia and Malaysia using same dual banking systems, the gap values are different. The difference in debt policy between Indonesia and Malaysia also affecting the gap sensitivity in debt. In can be concluded that each country needs an appropriate gap management to support its Islamic banking performance specifically.

Keywords : assets and liability management, gap management, interest rate risk, Islamic bank

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