The 6th FEB ENEFECIUM
Business and Economics Conference in Utilization of Modern Technology
Magelang, 8 Agustus 2023
e-ISSN: 2828-0725

The effect of credit risk and liquidity risk on the profitability of banking companies in indonesia stock exchange

Lia Listiyaningsih*, Endang Masitoh, Suhendro
Program Studi Akuntansi / Ekonomi, Universitas Islam Batik Surakarta, Indonesia
*email: 99listiyaningsih@gmail.com

ABSTRACT

Banking companies have an important in the economy. Starting from the payment process, depositing funds, borrowing funds and other payment services. The research purpose is to analyze the effectof bank credit risk and bank liquidity risk on bank profitability. Research used an analytical method, multiple linear regression analysis with the Eviews 9 analysis tool. All banking companies listed on the Indonesia Stock Exchange from 2015 to 2021 became the study population, with 17 banks as the research sample which was obtained through a sampling technique using the purposive sampling method. The research concludes that credit risk has a negative significant effect on bank profitability, and the liquidity risk has a positive and significant effect on bank profitability Keywords: credit risk, liquidity risk, bank profitability.

Kata Kunci:
Resiko kredit; resiko likuiditas; profitabilitas bank

ABSTRAK

Perusahaan perbankan memiliki peran penting dalam perekonomian. Mulai dari proses pembayaran, penyimpanan dana, peminjaman dana dan layanan pembayaran lainnya. Tujuan penelitian untuk mengalisis pengaruh risiko kredit bank dan risiko likuiditas bank terhadap profitabilitas bank. Penelitian menggunakan metode analisis yaitu analisis regresi linier berganda dengan alat analisis Eviews 9. Seluruh perusahaan perbankan yang terdaftar di Bursa Efek Indonesia mulai tahun 2015 sampai dengan tahun 2021 menjadi populasi penelitian, dengan 17 bank menjadi sampel penelitian yang didapatkan melalui teknik pengambilan sampel dengan metode purposive sampling. Penelitian menghasilkan kesimpulan bahwa risiko kredit berpengaruh signifikan terhadap profitabilitas bank dan bersifat negatif, risiko likuiditas berpengaruh signifikan dan bersifat positif terhadap profitabilitas bank Kata kunci : risiko kredit, risiko likuiditas, profitabilitas bank.

INTRODUCTION

Banking is expected to continue to grow and develop while maintaining the viability of the company. To achieve this, banking companies need to pay attention to things such as maintaining customer trust, providing excellent service, and maintaining the soundness of the bank. One way to maintain the sustainability of a banking company is to maintain customer trust. One way that can be done is to publish company financial reports transparently. With these accessible financial reports. The factor of public trust is the main factor in running a banking business that functions as a financial intermediary. Without the trust of the public, of course, the bank will not be able to obtain sources of funds from the community and channel funds back to the community. The general public can access the financial statements of this bank through the BEI.

In several previous studies, differences were found in research results. According to Tresnawaty's research (2022), NIM and NPL affect on the profitability, LDR has not been proven to have an effect on banking’s profitability. According to the research of Sante, Murni, and Tulung (2021), the results show that NPL partially have no effect on Return On Asset and LDR partially have no effect on ROA. Meanwhile, according to Widyastuti and Aini's research (2021), the ratio NPL has an effect significantly negative on profitability, LDR and CAR have no effecton bank profitability. Research of Dewi and Srihandoko (2018), NPL have a significant-effect on ratio return on asset, LDR have no significant effect on ROA. This research is to determine credit risk and liquidity risk affects the profitability of banking companies on the Indonesia Stock Exchange.

METHOD

Quantitative research is type of this research with secondary datas used in the research. Banking companies listed on BEI from 2015 to 2021 is the population, the sample using a purposive sampling technique. So, 17 companies is all the samples. This research, analyze the effect of each independent variable and the dependent variable, using multiple linear regression analysis was used using panel data. The selection of the most appropriate estimation model for research is carried out by conducting three tests on research data, namely the chow-test, hausman-test, and also lagrange-multiplier-test. The research also using the t test, adjusted R-Square test and the multiple linear regression analysis were formulated.

RESULT AND DISCUSSION

After knowing the three tests, the selected estimation model is the Random Effect Model. This model was selected twice in the Hausman and LM Test. The t test on variable X1, are 4.625827 > T table and the significance value of NPL is (0.0000) < 0.05, which means that NPL has a significant effect on ROA. The NPL coefficient is -0.194435, which shows that the effect of NPL has a negative direction on company ROA. The t test on variable X2 is 2.426234 > from the t table and a significant value of 0.0168 < 0.05, which means that partially LDR has an effect on company ROA, LDR also has a coefficient value of 0.006911, which shows the influence of LDR in a positive direction.

Coefficient of determination Test show 17.64%, it is indicates that the independent variables are able to explain the return on assets variable 17.64% while the rest is explained by other variables. In other words, 82.36% are influenced by other variables.

The significant value for NPL (X1) is 0.0000 < 0.05, this means that partially NPL effect on ROA is significant. The coefficient value of Non-Performing Loans is -0.194435, which indicates the effect of NPL is negative. The significant value for LDR is 0.0168 < 0.05, means that LDR has a significant effecton ROA. The coefficient of the LDR is 0.006911, shows the effect has a positive direction.

CONCLUSION

Partially NPL have an effect significantly and negative on ROA. This is because an increase in credit risk can create losses for the bank and cause a decrease profitability. Meanwhile, partially LDRhas a positivei and significantieffect on ROA. Because liquidity ratio increase means more funds are disbursed by the bank, which can increase bank profitability and vice versa. It is recommended for further research to use other variables or increase the number of other variables to be used in research to obtain various results and have a greater level of influence. Further research can try to increase the number of samples or time span of the research.

REFERENCE

Dewi, E. T., & Srihandoko, W. (2018). Pengaruh Risiko Kredit dan Risiko Likuiditas Terhadap Profitabilitas Bank. Jurnal Ilmiah Manajemen Kesatuan, 6(3), 131-138.

Sante, Z. V., Murni, S., & Tulung, J. E. (2021). Pengaruh Risiko Kredit, Risiko Likuiditas Dan Risiko Operasional Terhadap Profitabilitas Perusahaan Perbankan Yang Terdaftar Di Lq45, Buku Iii Dan Buku Iv Periode 2017-2019. Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi, 9(3), 1451-1462.

Trisnawati, R., Aryanti, R., & Effendi, R. Y. (2022). Analisis Tingkat Kesehatan Pt Bank Tabungan Negara (Persero) Tbk Menggunakan Metode Camel. Surplus: Jurnal Riset Mahasiswa Ekonomi, Manajemen, dan Akuntansi, 1(2), 80-92.

Widyastuti, P. F., & Aini, N. (2021). Pengaruh CAR, NPL, LDR terhadap profitabilitas bank (ROA) tahun 2017-2019. JIMAT (Jurnal Ilmiah Mahasiswa Akuntansi) Undiksha, 12(3), 1020-1026.