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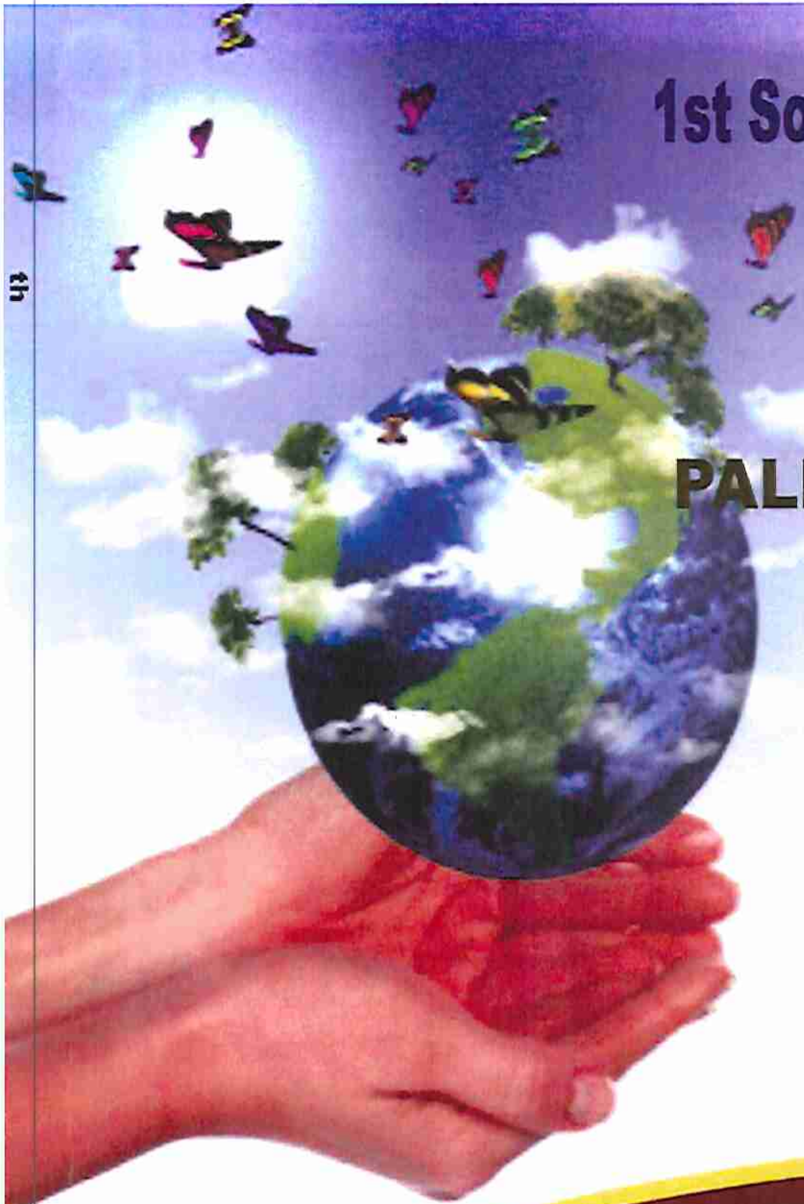

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Analize the influence of the method of capital, risk profile, and earnings on the performance of banking (banking case study in Indonesian stock exchange 2009-2013)

Fitria, Waspodo, Bakti Setyadi
University of Bina Darma

Abstract

The objectives of this research to analize the influence of the method of capital, risk profile, and earnings on the performance of banking (banking case study in Indonesian stock exchange 2009-2013) wich is as a proxy of Financial Performance Banking Firms wich listed on BEJ in period 2009 until 2013 periods. This research using time series data from Bank Indonesia's three monthly published financial reports Banking Firms wich listed on BEJ in period 2009 until 2013 periods.After passed the purposive sampling phase, the number of valid sample is 30 Banking Firms wich listed on BEJ.The result of this research shows that CAR, NIM, and LDR variables has a positive and significant influence to ROA. BOPO variable also has a significant influence to ROA, the distinction between BOPO than another variables is the sign of variable coefficient, it has negative coefficient. In NPL variable case,despite NPL has a negative coefficient, it doesn't have a significant influence to ROA. the research also shows that BOPO coefficient become the largest
coefficient values. It's mean that the bank managements should be concern on the BOPO variable to improve profitability on their Financial Performance. Disintermediary functions of bank that occurs in the research periods is the reason for unsignificant NPL variable to ROA variable wich is as a proxy of Financial Performance Banking Firms.

Keywords: Capitalization, Operating Efficiency, Credit Risk.

1 INTRODUCTION

Capital market activities relate to the public offering and trading of securities, public companies relating to securities issuance, as well as institutions and professions related to the effect. Capital Markets acted as a liaison between investors and companies or government institutions through long-term trade finance instruments such as bonds, stocks,and other (Rusdin, 2008:1)
Financial performance is a picture of the achievements of the company in its operations either in relation to the financial aspects, marketing aspects, aspects of fund collection and disbursement of funds, technological aspects, as well as aspects of human resources.

Everal factors are striving towards the performance of the bank is CAR, ROA, NPL, NIM, GCG and LDR. Capital Adequacy Ratio (CAR) is a financial ratios related to the banking capital in which the amount of capital a bank will have an effect on whether or not a bank is able to efficiently carry out its activities.

Seeing the dynamics of ROA,ROA,NPL,NIM,and stabilized over a period of five years (2009 – 2013), it is necessary proposes research to analyze whether there is influence of CAR,ROA, NPL, BOPO And LDR on bank performance proxied with ROA at the banks listed on the Jakarta Stock Exchange (JSX) the period 2009 – 2013.

Based on the above, then do the research with the title " analize the influence of the method of capital, risk profile, and earnings on the performance of banking (banking case study in Indonesian stock exchange 2009-2013)".

2 RESEARCH METHODOLOGIES

2.1. DesignResearch

This research is a quantitative research, which describes the influence and the relationship between independent variables consisting of: capital (X1), risk profile (X2), and earnings (X3) with the dependent variable is banking performance assessment (Y), as well as to test hypotheses that have been formulated. The independent variables such as Capital, risk profile, and earnings data obtained will be processed and treated with a quantitative analysis.

2.2. PopulationandSample

The population used in this study is a company registered in Bank Indonesia stock exchange in the period of the study (2009-2013). The number of banks that go public to 2013 as many as 33 banks

2.3. Analysis Method

Analysis of the performance of banking is done by calculating financial ratios, namely CAR (Capital Adequacy Ratio), Operating Expenses Operating Income Against (ROA), NIM (Net Interest Margin) which then each of the ratio tested its effect on ROA ratio (Return On Assets).

3 RESULTS AND DISCUSSION

a. Capital Adequacy Ratio (CAR) significant positive effect on Return on Assets (ROA). This proves that the role of the adequacy bank capital in running the business anyway, is absolutely must be met. With the fulfillment of the bank's CAR by the bank can absorb the losses suffered, so that activities will be run efficiently, and ultimately profits The bank gained increasing. With increasing profits,it will have an impact also on the increase in the bank's financial performance.

b. Operating efficiency (ROA) significant negative effect on Return on Assets (ROA). The higher the ROA ratio, it can be said operations performed inefficient banks. So versa the lower the ratio, the operations BOPO The bank will be more efficient. When all the activities carried out bank run efficiently, then any profits which would be obtained also increasingly large, which in turn will improve the financial performance of banks The.

c. Net Interest Margin (NIM) significant positive effect on Return on Assets (ROA). This means the ability of banks to earn profits of interest affect the good and bad of the bank's financial performance The. If the acquisition of the bank NIM ratio increases, the performance The bank finances will also increase.

4 CONCLUSION

✓ The sample companies were used in this study is relatively small (only 30 banks), because the samples were taken only in the banking listed on the Jakarta Stock Exchange (JSX).

✓ Observation period used in this study is relatively short which is only 5 period, ie from 2009 to 2013.

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