ABSTRACT

This study aims to examine the effect of the liquidity ratio proxied by Investment Ratio (IR), Net credit facilities / Total assets (NCF/TA), Capital ratio (CR), Liquid ratio (LR), Quick-Acid ratio (QR), Liquid assets to deposit-borrowing ratio (LADST), Net Loans to total asset ratio (NLTA), Net loans to deposit and borrowing (NLDST) and proxied credit performance as Loan loss reserve to gross loans (LRGL) to proxied profitability as Return On Assets (ROA), Return On Equity (ROE), Cost to Income Ratio (C/I).

The population of this study is all banking companies that actively report annual financial statements in the Bloomberg database from 2015-2020. The number of samples in this study were 38 banks. The sampling method is (purposive sampling). In this study, the regression analysis method was used for data analysis.

The final results of the study show that: The liquidity ratio proxied by Net Credit Facilities / Total Assets (NCF/TA), Capital Ratio (CR), Quick Acid-Ratio (QR) has a partially significant effect on Return on Assets (ROA) and liquidity ratios that Proxied by Net Credit Facilities / Total Assets (NCF/TA), Capital Ratio (CR), Quick Acid-Ratio (QR) Net loans to deposit and borrowing (NLDST) have a significant partial effect on Return on Assets (ROE) and liquidity ratios. proxied by Liquid Ratio (LR) partially significant effect on Cost to Income Ratio (C/I).

Keywords : Liquidity, Credit Performance, Profitability, ROA, ROE, C/I.