ABSTRACT

Bank is a financial institution that organizes activities to collect the funds from a community who own the funds and collect the funds to the people who needed it. At the end of the business period, each institution or company had to prepare financial reports which shared to the publics through the financial statement analysis, presented by ratio in order to increase the effectiveness of the company.

This research is intended to know how the Good Corporate Governance, Company Size, and Liquidity Risk got impact into the Profitability. Population in this study used list of conventional commercial banks on the Indonesia Stock Exchange for the period 2014 - 2018.

Phenomenon in this research was explored using the empirical study method, with a descriptive verification research type. Sampling technique in this study used a purposive sampling method and obtained 23 (twenty-three) banking companies with a study period of 5 (five) years, so this study obtained 115 (one hundred and fifteen) observational data. The data analysis technique which been used in this study is the least square panel.

The results show us that Good Corporate Governance, Company Size, and Liquidity Risk has a simultaneous impact towards Profitability. Partially, good corporate governance had a negative impact on profitability, company size had a positive impact on profitability, and credit risk does not impact the profitability.

This research could be used as a reference for the academics in advance to the further research, also could be used as well for the regulators, to the investors in addition to help the investment decisions, and for the banking company management could be used to make some strategies to be applied in companies.

Keywords*: Profitability, Good Corporate Governance, Company Size, Liquidity Risk*