ABSTRACT

This study aims to analyze the effect of liquidity, as measured by the Current Ratio (CR), capital structure, as measured by the Debt-to-Equity Ratio (DER), and company size, as measured by Total Assets, on the profitability of P2P lending companies registered with the Financial Services Authority (OJK) from 2020 to 2023.

The underlying phenomenon in this study is the growing trend in lending by P2P lending platforms in Indonesia from 2020 to 2023. However, challenges regarding liquidity, capital structure, and company size are important factors that can affect the stability and profitability of companies in this industry.

This study uses a quantitative method with a panel data regression approach to examine the relationship between the independent variables and the dependent variable. The research sample consists of P2P lending companies consistently registered with the OJK throughout the study period. The data used is secondary data, namely annual financial reports uploaded to the OJK's official website.

The results indicate that liquidity and capital structure do not affect profitability. This indicates that the company is inefficient in managing its assets, and its operational mix of debt and equity is poorly structured, resulting in suboptimal profitability. While company size has a partial positive effect on profitability, these results indicate that companies with larger total assets have an advantage in operational management and are able to attract investors or lenders to invest or provide loans, potentially increasing the company's ability to generate profits.

Future researchers can expand the research variables and extend the period to obtain results that influence the financial performance of P2P lending companies. For investors and lenders, this research can provide information for making investment or loan decisions.

Keywords: Capital Structure, Firm Size, Liquidity, P2P Lending, Profitability