

CHAPTER V

CONCLUSION AND SUGGESTION

After analyzing the estimation results of the model, this chapter will present conclusions and some suggestions that can be taken.

5.1 Conclusion

This study attempt to analyze bank's growth from 2017 to 2020, as pandemic occurred on the year of 2020 the study will also try to analyze how the pandemic affecting the bank's growth. With bank's growth as dependent variable, and credit, total asset turnover, net profit margin, as independent variable, also covid-19 as dummy. This study using panel data from 4 different bank, with the monthly data from 2017 to 2020.

In this study to analyze the variables, author used a fixed effect model, and the results are:

1. Variable credit showed that the variable has insignificant relationship with profitability. Which means credit doesn't affect the profitability. According to some researcher, this could happen because there are other aspect that could affect bank's profitability. It could also happen because of there is a traffic or stuck in the payment.
2. Total asset turn over and Net profit margin they partially showed a signifcant relationship at 1% and 5%. Which means when these variables increase in a bank, the profitability of its bank will also increase. This also showed that banks is efficient in using their asset, and managing the activities within the banks that could lead to its bank performances.
3. The result for Covid-19 variable also shown as significant at 10% but negatively. This means when pandemic occurred, the banks profitability will decrease.

5.2 Suggestion

This study certainly has many weaknesses. Nevertheless, the results of this study hopefully could contribute in providing some suggestions. Which are,

1. The result showed that credit has an insignificant effect on profitability, the value also decreased on year 2020 comparing to the previous year. In order the bank could give more credit to their customer, they had to increase their profitability first, they could also pressed some operational funds in order to get bigger profit.

2. As for total asset turnover, the banks required to maximize the usage of their active in order to obtain maximum income.
3. As for net profit margin, in order to keep up the bank have to increase their bank's performance so it could have a higher productivity.
4. For the Covid-19 it turns out that the decrease of profitability only affects some of the banks, some of the banks could still affect significantly because of the policy from the government about credit restruction, it helped the debtor to get more time to pay their lending with the amount of their rate only by the time that already settled. There are also a policy for new era that let some other workers to get back on their economic activity.

In addition, although there are a lot of study about bank's profitability there isn't much the study about it that occurred during pandemic times, therefore, author recommend to the next researcher to research the bank's growth in a focus and applicative manners, in order to get more references about bank's growth.

