

CHAPTER V

CONCLUSION AND SUGGESTION

5.1 Conclusion

After conducting research on 43 banking companies listed on the Indonesia Stock Exchange over the last five years, starting from 2018, 2019, 2020, 2021 and 2022. Several conclusions can be drawn which are the core answers to the problems discussed in this research, as follows. :

1. The partial financial performance variable does not have a significant effect on Firm Value in banking companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2022 period. This shows that the ability of the invested capital as a whole has not been able to generate high profits for the company. Therefore, the lower the financial performance, the higher the firm value will be and conversely, the higher the financial performance, the lower the firm value.
2. The Good Corporate Governance variable partially has a significant effect on Firm Value in banking companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2022 period. This shows that the higher the GCG, the better the company's performance will be through creating better decision making, increasing the company's operational efficiency.
3. The Credit Risk variable partially has a significant effect on Firm Value in banking companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2022 period. This shows that the higher the credit risk, the worse the credit quality will be, which will cause losses. Conversely, if the credit risk is lower, profits will increase. Therefore, credit risk has a significant effect on firm value.

5.2 Implications

The implication of the results of this research is that it is hoped that banking companies will always increase their profitability ratio (ROA), Good Corporate Governance (GCG) and reduce credit risk (NPL) so that firm value (PBV) can continue to increase. It is important for banking companies to pay attention to firm value because firm value is one of the indicators used by investors before investing their funds in a company. And for investors, they need to consider which banking companies have good return on asset, good corporate

governance and credit risk values, before deciding to invest their capital in that company. The capital market in Indonesia is increasingly developing and remains an attraction for investors, both local and international investors, so that it can improve the investment climate in Indonesia and of course will further increase firm value. This study also provides input for policy makers, both company management, the financial accounting standards board and the government in evaluating the implementation of ROA, GCG and Credit Risk disclosures in banking companies listed on IDX.

5.3 Limitations and Suggestions

By looking at the results of the discussion in the previous chapter, the suggestions that can be given are as follows :

1. Future researchers can also examine other factors that influence firm value. Researchers hope that this research will be useful for students who will conduct similar research or carry out further research on the same topic. The researcher hopes that the topics described above can create a desire to conduct further research using a longer research year in order to obtain maximum results.
2. Future researchers can expand the sample used in order to obtain a larger data sample, thereby strengthening the conclusions made by previous researchers.
3. For investors and prospective investors in companies registered on the IDX, they should be more careful and also pay attention to GCG aspects as considerations when making investments in addition to considering the company's financial aspects.

