

Determinants of the Profitability of Non-deposit Institutions Listed on the Indonesian Stock Exchange

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ABSTRACT

The research is aimed to examine the influence of equity ratio, institution size, deposits, GDP, interest rate on profitability as measured by ROE and ROA. The data was obtained from the financial statements of listed companies in Indonesian Stock Exchange of 33 non-bank financial institution within five years of research, from 2012 to 2016. The results showed that the variable institution size has a significant positive effect on ROE and ROA, the GDP has a significant positive effect on ROE and ROA, the interest rate has a significant positive effect on ROE and ROA, the equity ratio has no significant effect on ROE and ROA, the deposits has no significant effect on ROE and ROA.

Keyword: Equity Ratio, Institution Size, Interest Rate, Profitability

1. INTRODUCTION

Financial institutions have an important role in the economic development of a country including in Indonesia. Bhavish, Ayush, Sheereen, and Hema (2017) say that financial institutions or financial institutions are all companies whose main activities are lending money deposited as savings. Fabozzi, Modigliani and Ferri (2009) explain that financial institutions are grouped into 2 namely depository financial institutions (banks) and non-depository financial institutions (other financial institutions or non-bank financial institutions).

Siamat (2001) also explained that non-bank financial institutions consist of several types, namely (1) contractual institutions, for example insurance policies and pension funds, (2) investment institutions, for example securities companies and mutual funds. In addition to contractual financial institutions and investment financial institutions, there are other types of financial institutions namely venture capital companies and finance companies that offer financing services such as leasing, factoring, consumer financing and plastic cards or credit cards (Simorangkir, 2000). Ofoeda, Gariba and Amoah (2016) explained that non-bank financial institutions are currently an important part of the financial services sector and are inseparable from financial services, especially in developing countries.

Bhavish et al. (2017) explained that the performance of non-bank financial institutions can be through the profitability generated. The higher the profitability will produce good performance, but otherwise low profitability, the performance will also be bad. Bhavish et al. (2017) explained that the profitability of non-bank financial institutions is influenced by several factors both internally and externally, internal factors such as equity ratio, institution size, and deposits while external factors include GDP and interest rate. Athanasoglou, Brissimis and Delis (2005) explain equity ratio or capital ratio is the amount of equity used to support investment activities of non-bank financial institutions. Capital is used as a

foundation and benchmark for the community to choose non-bank financial institutions that can be trusted to invest their funds. Equity ratios show how much equity an institution can affect the profitability produced (Herrero, Gavila and Santabarbara, 2009).

Bhavish et al. (2017) explained that the equity ratio is measured by using the ratio of equity to assets. The higher the share capital for investment, the higher profitability. Yilmaz (2013) explains that there is a positive influence between equity ratio on profitability. Uchenna, Ugwunta, David and Ibe (2012) describe institution size as an internal factor which is a large size of non-bank financial institutions. Larger non-bank financial institutions are better than small non-bank financial institutions in increasing their business growth, so large non-bank financial institutions tend to gain higher returns (Mungly, Seetana, Seeta, Babaje and Maraye, 2016). Alper and Anbar (2011) found a positive influence between institution size on profitability and explained that large non-bank financial institutions can achieve high profitability. Bhavish et al. (2017) describes deposits or deposits as the main source of funding for non-bank financial institutions. Sharma and Gounder (2012) explain that the more savings used as a source of funding, the higher the profits obtained. Javaid, Anwar, Zaman and Gafoor (2011) explain the positive influence between deposits on profitability.

GDP and interest rate are external factors that can affect the profitability of non-bank financial institutions. Bhavish et al. (2017) explains the definition of gross domestic product (GDP) is an indicator used to measure total economic activity or economic activity in a country. GDP is also a picture of a country's economic growth. When GDP decreases, it will reduce public interest in using non-bank financial institutions, thereby reducing profitability. Vice versa, if GDP increases, then public consumption increases, it will increase public interest in investing in non-bank financial institutions, so that it will affect profitability. Sakyi, Ofoeda and Abor (2014) explain the positive influence between GDP on profitability. Dwijayanthy and Naomi (2009) explain the interest rate or interest rate is an indicator that determines the amount of interest rates that non-bank financial institutions will offer to the public. Bhavish et al. (2017) explains that variations in interest rates can change the profitability of non-bank financial institutions. The size of the interest rate will affect the public interest to invest their funds in non-bank financial institutions, the more funds invested by the community, it will increase the ability of non-bank financial institutions in channeling these funds in the form of financing. The greater the interest income earned, the greater the profit that will be obtained by non-bank financial institutions. Alper and Anbar (2011) found a positive influence between interest rate on profitability.

Based on the above background, the authors are interested in conducting research in Indonesia. This study knows how much influence the internal factors and external factors on profitability in non-bank financial institutions that go public in Indonesia during the period 2012 to 2016. This research is entitled "Factors Affecting Profitability in Non-Bank Financial Institutions Registered on the Indonesia Stock Exchange".

2. LITERATURE REVIEW

2.1. Non-bank financial institutions

Non-bank financial institutions are institutions or business entities that carry out activities in the financial sector that directly or indirectly draw on the community which is then given as financing for both working capital needs and investment companies (Law No. 10 of 1998). Siamat (2001) explained that non-bank financial institutions consist of several types, namely :

1. Contractual Institution is an institution whose business activities are to withdraw funds from the community by offering contracts to protect customers against the risks of uncertainty experienced.
2. Investment Institution is an institution whose business activities invest in money markets and capital markets.
3. The Finance Company is an institution that is not included in the contractual institution or investment institution. Finance company activities that offer financing services such as leasing, factoring, consumer financing and plastic cards (credit cards).

2.2 Profitability

Profitability is the company's ability to generate profits for a company that is related to the level of sales and investment (Gitman and Zutter, 2015). Zulfikar, Lukviarman, Suharjanto and Agustingsih (2017) suggested that profitability reflects the quality of corporate management, healthy profitability means that the quality of the company's management is good and vice versa. Yilmaz (2013) explains that profitability shows success in managing a company. The profitability of non-bank financial institutions can be seen and measured using two ratios, namely Return On Assets (ROA) and Return On Equity (ROE), both of which are measures to evaluate corporate profits related to the level of sales, the level of certain assets and company investment (Gitman and Zutter, 2015).

2.3. Equity ratio

Kurnia (2012) explained that the definition of equity ratio is a financial indicator used to measure interest or motivation from the owner of the business continuity of the financial institution in question. This ratio shows the amount of share capital used to fund all company assets. Equity ratio is measured by using the ratio of equity to assets, meaning that the higher the share capital used for investment will increase profitability (Bhavish et al., 2017). Sharma and Gounder (2012) explain the positive influence between equity ratio and profitability as measured by ROA. Menicucci and Paolucci (2016) also found a positive influence between equity ratio on profitability, meaning that the more equity owned by the company, it will increase profitability.

2.4. Institution size

Institution size is the size of a company or institution (Uchenna et al. 2012). Bhavish et al. (2017) states that institution size is the size of the company which is measured by the natural logarithm of the total assets or the total assets of the company at the end of the year. Large non-bank financial institutions are better than small non-bank financial institutions in increasing their business growth, so large non-bank financial institutions tend to get higher profits (Mungly et al. 2016). In his research, Chinoda (2014) also found a positive influence between institution size on profitability.

2.5. Deposits

Bhavish et al. (2017) describes deposits or deposits as the main source of funding for non-bank financial institutions. The funding source will be used to run productive operational activities of non-bank financial institutions. Dang (2011) explained that deposits are deposits of customers against total assets. These deposits are usually in the form of payments or premiums. Sharma and Gounder (2012) explain that the more savings that are used as a source of funding, the greater the profit gained. Most of the deposits are also used for consumer financing activities which are expected to increase profitability (Gul, Irshad and

Zaman, 2011). Menicucci and Paolucci (2016) find a positive influence between deposits and profitability.

2.6. Gross Domestic Product (GDP)

Bhavish et al. (2017) explains the definition of gross domestic product (GDP) is an indicator used to measure total economic activity or economic activity in a country. GDP is also a picture of a country's economic growth. When GDP decreases, it will reduce public interest in using non-bank financial institutions, thereby reducing profitability. Vice versa, if GDP increases, then public consumption increases, it will increase public interest in investing in non-bank financial institutions, so that it will affect profitability. Sakyi et al. (2014) in his research explained that there was a positive influence between GDP and profitability.

2.7. Interest rate

Dwijayanthy and Naomi (2009) explain the definition of interest rate or interest rate is an indicator that determines the interest rate that will be offered by non-bank financial institutions to the public. Bhavish et al. (2017) states that variations in interest rates can change the profitability of non-bank financial institutions, the size of the interest offered to the public will affect the interest of the public and investors to invest their funds in non-bank financial institutions, the more funds invested by investors will increase the ability of non-bank financial institutions to channel these funds to communities and companies that require financing. From the amount of interest income, non-bank financial institutions will get profit, the greater the interest rate that is set, it will increase the interest income earned, so that the profit to be obtained will be large. Sakyi et al. (2014) found a positive influence between interest rate and profitability.

3. CONCEPTUAL FRAMEWORK

One of the objectives of non-bank financial institutions in carrying out their business activities is to obtain profits or profits. The ability of non-bank financial institutions to obtain profit is called profitability. Many factors influence the profitability of non-bank financial institutions, these factors are internal factors which include equity ratio, institution size, and deposits as well as external factors which include GDP and interest rate. Menicucci and Paolucci (2016) explain that there is a positive influence between equity ratio to profitability measured by ROA and ROE. Alper and Anbar (2011) found that there was a positive influence between institution size and profitability. Javaid (2011) explains the positive influence between deposits and profitability. Whereas in terms of external factors, gross domestic products have a positive influence on profitability (Sakyi et al. 2014) and interest rates have a positive effect on profitability (Riaz, 2013). Based on the description above, the conceptual framework is as follows:

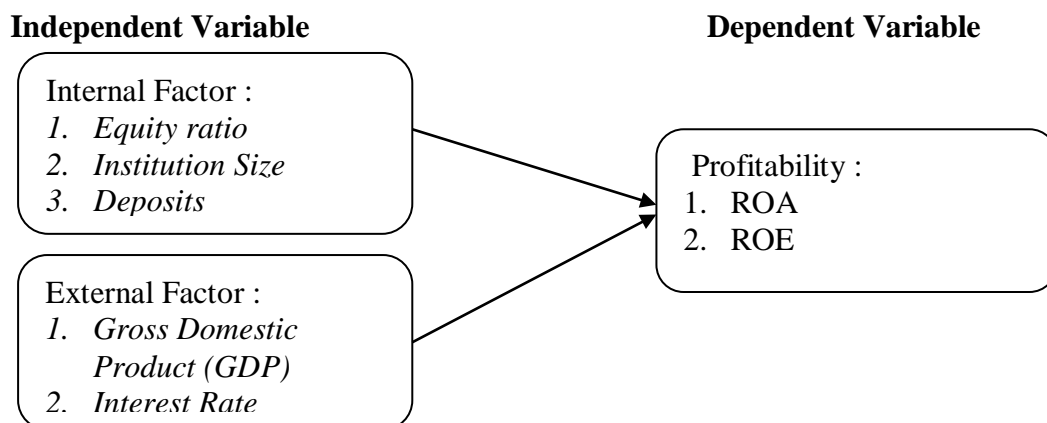


Figure 1
Conceptual Framework Scheme

4. HYPOTHESIS

Menicucci and Paolucci (2016) explain the positive influence between equity ratio and profitability as measured by ROA and ROE. Boolaky and Auhammad (2011) also found a positive influence between equity ratio and profitability. This indicates that the higher the use of share capital for investment will increase profitability. Sharma and Gounder (2012) found that the equity ratio has a positive influence on profitability, meaning that the higher the capital ratio, the better the profitability that will be obtained. Bhavish et al. (2017) in his research found a negative influence between equity ratio on profitability, this is because the larger capital ratio will sometimes be more risky and tends to be insecure compared to smaller capital ratios and will ultimately affect profitability.

H1a: There is an influence between the equity ratio to ROE.

H1b: There is an influence between the equity ratio on ROA.

Alper and Anbar (2011) state that there is a positive influence between institution size on profitability as measured by ROA and ROE. This indicates that large non-bank financial institutions tend to earn higher profits or profits. Chinoda (2014) also shows that there is a positive influence between institution size on profitability. That is, a large size non-bank financial institution shows the high level of non-bank financial institutions in obtaining profits from assets and equity. On the other hand, research with different results was found in Athanasoglou's (2005) study which found a positive influence between institution size and profitability, but non-bank financial institutions with large sizes can show a negative relationship to profitability, this is due to the costs used for the management of very large non-bank financial institutions.

H2a: There is an influence between institution size on ROE.

H2b: There is an influence between institution size on ROA.

Menicucci and Paolucci (2016) found a positive influence between deposits on profitability as measured by ROE and ROA. The more deposits provided as a form of financing of non-bank financial institutions to the public, the higher the benefits to be gained (Sharma and Gounder, 2012). Ramlan and Adnan (2016) explain that there is a positive influence between deposits on profitability. Bhavish et al. (2017) in his research

found a negative influence between deposits with ROE, this is because non-bank financial institutions that only depend on deposits tend to be less profitable. Boolaky et al. (2011) found a negative influence between deposits on ROA.

H3a: There is an influence between deposits on ROE.

H3b: There is an influence between deposits on ROA.

GDP is one of the macroeconomic indicators used to measure total activity or economic activity. GDP represents a country's economic growth. Sakyi et al. (2014) explained that GDP has a positive influence on profitability, a high growth rate will affect the increase in profitability. Sakyi et al. (2013) also in his research found a positive influence between GDP on profitability. Petria et al. (2013) explain the existence of a positive relationship between GDP and profitability. These results are different from the research found by Bhavish et al. (2017) which states that between GDP and profitability has a negative influence seen from ROA.

H4a: There is an influence between GDP on ROE.

H4b: There is an influence between GDP on ROA.

Sakyi et al. (2014) explains that there is a positive influence between interest rates on ROE. The high interest rate will affect the profitability of non-bank financial institutions. Riaz (2013) states that interest rates have a positive influence with profitability measured by using ROA and ROE. Large interest income will also increase large profits. In the study of Bhavish et al. (2017) also found that interest rates have a positive effect on the profitability of ROA, but also found a negative influence between interest rates on ROE.

H5a: There is an influence between the interest rate on ROE.

H5b: There is an influence between the interest rate on ROA.

5. RESEARCH METHODS

5.1. Research design

The research design in this study uses hypothesis testing and multiple regression analysis with the aim to test whether there is an influence of equity ratio, institution size, deposits, GDP and interest rate on profitability. In this study the data used are secondary data obtained from the annual financial statements of non-bank financial institutions and listed on the Indonesia Stock Exchange (IDX) from 2012 - 2016. In this study, the type of data used is secondary data. The method used in this sampling is to use a purposive sampling method, namely the withdrawal of samples taken based on certain criteria. The population used in this study are all non-bank financial institutions listed on the Indonesia Stock Exchange for the period 2012-2016. After selecting data from 41 listed companies there were only 33 companies that met the research criteria.

Table 1
Research Sampling Criteria

Description	Amount
Non-bank financial institutions listed on the Indonesia stock exchange in 2012-2016	41
Companies that do not have a complete annual report for the period 2012-2016	(8)
The amount of data that can be sample	33

Table 2
Operational Definition of Measurement Variables

Variable	Variable Name	Symbol	Measurement	Reference
Dependent	Return On Asset	ROA	$\frac{\textit{Profit Before Tax}}{\textit{Total Asset}}$	Bhavish <i>et al.</i> (2017)
	Return On Equity	ROE	$\frac{\textit{Profit Before Tax}}{\textit{Total Equity}}$	
Independent (Internal)	Equity Ratio	CA	$\frac{\textit{Total Equity}}{\textit{Total Asset}}$	
	Institution Size	BS	<i>Natural log of Total Asset</i>	
	Deposits	LND	$\frac{\textit{Total Deposits}}{\textit{Total Asset}}$	
(External)	Gross Domestic Product	GDP	<i>Annual Gross Domestic Product</i>	
	Interest Rate	RIR	<i>Annual Interest Rate</i>	

This study uses evIEWS to test hypotheses which use the panel data regression formula as follows:

Model 1 :

$$ROE_{it} = \beta_0 + \beta_1 CA_{it} + \beta_2 BS_{it} + \beta_3 LND_{it} + \beta_4 GDP_{it} + \beta_5 RIR_{it} +$$

Model 2 :

$$ROA_{it} = \beta_0 + \beta_1 CA_{it} + \beta_2 BS_{it} + \beta_3 LND_{it} + \beta_4 GDP_{it} + \beta_5 RIR_{it} + \epsilon_{it}$$

6. RESULTS AND CONCLUSION

In this section, descriptive statistics of the independent and dependent variables will be presented. In this descriptive statistic shows the maximum, minimum, mean and standard deviation of each variable. The variables used in this study are ROA, ROE as the dependent variable and equity ratio, institution size, deposits, GDP, and interest rate as independent variables. The data used in this study amounted to 165 observations obtained from 33 companies multiplied by the 5-year observation period (2012-2016). The following is a statistic of the variables used:

Table 3
Descriptive Statistics Results

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
<i>Equity ratio</i>	165	0.100437	0.991813	0.507886	0.265551
<i>Institution size</i>	165	24.53094	31.06483	27.67977	1.508807
<i>Deposits</i>	165	0.000000	37.69329	0.472467	3.032918
GDP	165	4.880000	6.030000	5.300000	0.434771
<i>Interest rate</i>	165	5.750000	7.750000	7.000000	0.760596
ROA	165	-48.57677	42.52962	5.092849	6.939308
ROE	165	-57.74494	87.59100	12.93558	13.11956

Based on the results of processing the data in the table above it can be seen that the dependent variable ROA has an average value of 5.092849 with a standard deviation of 6.939308. The maximum value of ROA of 42.52962 owned by Batavia Prosperindo Finance Tbk in 2016 and the minimum value of -48.57677 owned by HD Capital Tbk in 2016. While the dependent variable ROE has an average value of 12.93558 with a standard deviation of 13.11965. The maximum ROE value of 87.59100 owned by Batavia Prosperindo Finance Tbk in 2016 and the minimum value of -57.74494 was owned by Trimegah Securities Tbk in 2012.

The first independent variable, namely Equity ratio has an average value of 0.507886 with a standard deviation of 0.265551. The maximum value of Equity ratio of 0.991813 is owned by HD Capital Tbk in 2016 and the minimum value of 0.100437 is owned by Wahana Ottomitra Multiartha Tbk in 2014. The second independent variable, Institution size, has an average value of 27.67977 with a standard deviation of 1.508807. The maximum Institution size value of 31,06483 is owned by Adira Dinamika Multifinance Tbk in 2013 and the minimum value is 24,53094 as owned by Danasupra Erapacific Tbk in 2012.

The third independent variable, Deposits, has an average value of 0.472467 with a standard deviation of 3,032918. The maximum value of Deposits is 37.69329 owned by Danasupra Erapacific Tbk in 2016 and the minimum value is 0.000000 owned by Danasupra Erapacific Tbk in 2012, 2014 and 2015 and Radana Bhaskara Finance Tbk in 2012 and 2013. The fourth independent variable, namely GDP has an average value of 5.300000 with a standard deviation of 0.434771. The maximum GDP value is 6.030000 which occurred in 2012 and the minimum value of 4.880000 which occurred in 2015. The fifth variable is the Interest rate has an average value of 7.000000 with a standard deviation of 0.760596. Maximum value of Interest rate of 7,750000 which occurred in 2014 and the minimum value of 5.750000 which occurred in 2012.

The method of data analysis in this study was carried out by panel data regression analysis using estimates of regression equations. It aims to test and analyze the effect of independent variables on the dependent variable on non-bank financial institutions listed on the Indonesia Stock Exchange and processed with Eviews 8.

The estimated regression equation used is as follows :

Model 1

$$\text{ROE} = -621.6839 + 8.445834\text{CA} + 19.79357\text{BS} + 0.249357\text{LND} + 11.62117\text{GDP} + 2.962465\text{RIR}$$

Model 2

$$\text{ROA} = -409.1758 + 9.180913\text{CA} + 13.05870\text{BS} + 0.237415\text{LND} + 6.597295\text{GDP} + 1.866480\text{RIR}$$

The results of the hypothesis test on the regression model can be seen in the fourth table.

Table 4
T Test Results
Model 1 (ROE)

Variable	Coefficient	Probabilitas	Decision
(Constant)	-621.6839	0.0000	-
Equity Ratio	8.445834	0.4720	Not significant
Institution Size	19.79357	0.0000	Significant
Deposits	0.249357	0.3735	Not significant
GDP	11.62117	0.0001	Significant
Interest Rate	2.962465	0.0225	Significant

Table 5
T Test Results
Model 2 (ROA)

Variable	Coefficient	Probabilitas	Decision
(Constant)	-409.1758	0.0000	-
Equity Ratio	9.180913	0.1877	Not significant
Institution Size	13.05870	0.0000	Significant
Deposits	0.237415	0.1535	Not significant
GDP	6.597295	0.0002	Significant
Interest Rate	1.866480	0.0153	Significant

Model 1 : ROE

Equity Ratio

From the results of this study indicate the variable equity ratio does not have a significant effect on ROE. The results of this study are not in line with the research conducted by Bhavish et al. (2017) which shows a significant negative effect between equity ratio on ROE. However, this study is in accordance with research conducted by Mungly et al. (2016) which shows that there is no effect between equity ratio on ROE. Alper and Anber (2011) also support this research which shows that the equity ratio does not affect ROE, it means that the size of the use of share capital owned by the company does not affect ROE.

Institution size

The results show that the institution size variable has a positive and significant effect on profitability with ROE. The results of this study are not in line with previous research conducted by Bhavish et al. (2017) where the results show that there is no influence between institution size on ROE. However, the research is supported by the research of Alper and Anbar (2011) which explains that institution size affects ROE. Sakyi et al. (2014) also supports that there is an influence between institution size on ROE. Manocucci and Paolucci (2016) in their research also explained that institution size has a positive influence on profitability. The large size of non-bank financial institutions shows the high capacity of non-bank financial institutions in obtaining profits generated from assets and equity.

Deposits

Based on the results of this study shows that the variable deposits have no effect on ROE. The results in this study have results that are not in accordance with the previous research conducted by Bhavish et al. (2017) which shows the negative and significant influence between deposits on ROE. However, this study shows similar results in research conducted by Haron (2004) that deposits have no effect on ROE. Alkassim (2005) also shows that deposits have no effect on ROE. Alper and Anbar (2011) support the study that there is no influence between deposits on ROE. Sahyouni and Wang (2018) also found the same results that there was no influence between deposits on ROE. This can occur because non-bank financial institutions do not use deposits as a determinant of profits. The size of the deposits owned by the company does not affect the company's profits.

GDP

The results of this study indicate that the GDP variable has a positive and significant effect on ROE. The results of this study are not in line with the research of Bhavish et al. (2017) which shows that there is no influence between GDP on ROE. Whereas, the research was supported by research by Sakyi et al. (2014) which shows that there is a positive and significant influence between GDP and ROE. Petria et al. (2015) also supports the results of these studies which show a positive and significant influence between GDP and ROE. The higher the level of economic growth will have an impact on the company's high ability to make a

profit.

Interest rate

The results of this study indicate that the interest rate macroeconomic variables have a significant positive effect on ROE. The study did not show the same results as Bhavish et al. (2017) that there is no effect between interest rates on ROE. However, Sakyi et al. (2014) support this research that interest has a positive and significant influence between interest rate on ROE. The results of this study are also supported by Alper and Anber (2011) that there is a positive and significant influence between interest rate on ROE. The high interest rates set by the company will affect the amount of profit that will be obtained.

Model 2 : ROA

Equity ratio

From the results of this study shows the variable equity ratio has no effect on ROA. The results of this study are not in line with the research conducted by Bhavish et al. (2017) which shows a significant negative effect between the equity ratio on ROA. However, this study is in accordance with research conducted by Mungly et al. (2016) which shows no influence between equity ratio on ROA. Alper and Anbar (2011) also support that the equity ratio does not affect ROA.

Institution size

The results showed that the institution size variable had a positive and significant effect on profitability with ROA. In this study in line with previous research conducted by Bhavish et al. (2017) where the results show that there is a positive influence between institution size on ROA. The large size of non-bank financial institutions shows the high capacity of non-bank financial institutions in obtaining profits generated from assets and equity. This research is also supported by the research of Alper and Anbar (2011) which explains that institution size influences profitability. Sakyi et al. (2014) also supports that there is an influence between institution size on profitability (ROA). Manocucci and Paolucci (2016) in their research also explained that institution size has a positive influence on profitability.

Deposits

Based on the results of this study indicate that the variable deposits do not have a significant effect on the dependent variable, namely profitability with ROA. The results of this study have results that are not in accordance with previous studies conducted by Yuliany (2014) that there is no significant effect between deposits on ROA. Alper and Anbar (2011) support the study that there is no influence between deposits on ROA. Sahyouni and Wang (2018) also found the same results that there was no influence between deposits on ROA. This can occur because non-bank financial institutions do not use deposits as a determinant of profits. The size of the deposits owned by the company does not affect the company's profits.

GDP

The results of this study indicate that the GDP variable has a positive and significant effect between GDP and ROA. The results of this study are not in line with the research of Bhavish et al. (2017) which shows the negative and significant influence between GDP and ROA. However, Rachdi and Mokni (2013) support this research which shows a positive and significant influence between GDP on ROA. Chinoda (2014) also showed the same results that there was a positive and significant relationship to ROA. Sakyi et al. (2017) also shows that GDP has a positive and significant effect on ROA. The high level of GDP growth will have an impact on the company's high ability to earn large profits and increase the profitability of the company.

Interest rate

The results of this study indicate that the interest rate macroeconomic variables have a positive and significant effect on ROA. The study showed similar results with the research of Bhavish et al. (2017) that there is a positive and significant influence between the interest rate on ROA. The increase in interest rates will have an impact on the increase in loan interest rates set by non-bank financial institutions, which will increase the profitability or profit from the interest income. Sakyi et al. (2014) supports the positive and significant influence between interest rate on ROA.

7. RESEARCH LIMITATIONS

This study has several limitations including the following :

1. The population used in this study is limited to non-bank financial institutions listed on the Indonesia Stock Exchange (IDX).'
2. The variables used in this study are limited to equity ratio, institution size, deposits, GDP, interest rate.

8. SUGGESTION

From the results of the analysis and discussion that have been reviewed in this study, suggestions or recommendations that can be given for further research include the following :

1. Subsequent research should be able to add a number of samples such as all financial institutions (banks).
2. Further research should also need to use and add other variables that can affect profitability, such as credit risk (Riaz, 2013).

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