

CHAPTER V

CONCLUSIONS, SUGGESTION AND LIMITATION

A. Conclusions

This study examines the financial performance of rural banks in the DIY period 2012-2015 in five districts in Yogyakarta, namely the district (Bantul, Gunung kidul, Kulon progo, Yogyakarta Sleman and the City. Based on the results of this study can be concluded. Variable Loan to Deposit Ratio influential no significant effect on financial performance (return on assets) Conventional BPR in DIY. Variable Non Performing Loan berpengaruhnegatif and significant impact on the financial performance of BPR Konvensional in DIY. the high ratio of non-performing loans or credit quality is low will impact on the high reserves for credit losses so as to reduce profitability of banks. variable capital Adequacy Ratio positive and significant impact on the financial performance Conventional BPR in DIY.

If the capital owned bank getting bigger, it will affect the magnitude of the fulfillment of the bank's assets that will be easier to manage it so as to increase profits. variable Operating Costs on Operating Income (ROA) a significant negative effect on the financial performance Rural Bank in DIY. The negative relationship between the ratio of (BOPO) and ratio of ROA may occur due to inefficiencies in the operations of banks operating expenses due to banks that are

too big and can not be suppressed by operating income thus reducing the profitability of the operations of the bank itself.

Based on the results of the analysis and study in previous chapters, several conclusions can be obtained as in the followings:

1. Based on Testing Results of First Hypothesis (H1) it is CAR the variable has positive influence on ROA of BPR with coefficient value of 0.053865%. Significant value of 0.0162 and t-statistic of 2.428481 shows CAR have positive effect and significant effect towards ROA of BPR.
2. Based on Testing Results of Second Hypothesis (H2), it is LDR (Loan to Deposit Ratio) the variable has positive influence on ROA of BPR with coefficient value of 0.008610% and not Significant value of 0.1220 and t-statistic of 2.428481 shows , LDR have positive effect but not significant effect towards ROA of BPR.
3. Based on Testing Results of First Hypothesis (H3) it is BOPO the variable has negative influence on ROA of BPR with coefficient value of -0.090044%. Significant value of 0.0162 and t-statistic of -8.460719 shows BOPO have negative effect and significant effect towards ROA of BPR.
4. Based on Testing Results of First Hypothesis (H4) it is NPL the variable has negative influence on ROA of BPR with coefficient value of -0.183952. Significant value of 0.0000 and t-statistic of -4.797087 shows NPL have negative effect and significant effect towards ROA of BPR.

B. Suggestion

Regarding to this research, there are several recommendations as an implementation from the research findings:

1. The further researchers would add the other variables that are not included in this model research so they will get better result.
2. This research uses a simple model, so the further researcher could use the complex model in order to get the maximum result. In addition, this research becomes the reference to the further researcher.
3. This research uses 4 years, so the further researcher could add more samples in order to get maximum result.
4. Rural Bank company should keep and maintain the financial performance ratios in order to get the maximum profit.

C. Limitations

This research has been put in efforts and implemented in accordance with scientific procedures. However, it still has its limitations namely:

1. Research object is less extensive as it only uses the sample of BPR in five districts in Yogyakarta, covering Bantul, Gunung kidul, Kulon progo, Sleman, and Yogyakarta, so that the results of the research cannot entirely be made as the basis to point out the problem. Therefore, further research is expected to add more of object of research.
2. Factors affecting profitability (ROA) in the district of Yogyakarta consists of three variables; namely CAR, LDR, BOPO and NPL. While there are many other factors affecting the profitability (ROA).

3. Period of time (year) used in this study is only five years expanding from 2012-2015 while it would be better if the year used in the study is more than seven years in order to obtain better results. That also is due to the limited access to the data in this study.

Based on these limitations, it should not diminish the meaning and significance of the research's results. However, it can be used as an interim conclusion as the result can be tested again elsewhere with the probability of other results.