

## **ABSTRACT**

*Non-performing loans (NPLs) shows the performance of a bank's function that will reflect banks health. If the level of Non Performing Loans (NPL) high that shows the banks health is low and non-performing loans high in its operational activities. Therefore, authors will analyze the factors that are considered to have an impact on Non Performing Loans (NPL).*

*This study aims to examine how the Loan to Deposit Ratio (LDR), Operational Income Costs (BOPO), and Non-Performing Loans (NPLs) on sub-banks that listed on the Indonesia Stock Exchange (IDX) in the period of 2014-2017.*

*This research method uses quantitative methods. The population is all banks listed on the Indonesia Stock Exchange (IDX) in the period of 2014-2017 as many 42 banks. The sampling technique used purposive sampling method with a total sample 36 banks for 4 years, outlier data was omitted by 17 data so the sample units was 127 data. Test the hypothesis of this study uses panel data regression analysis using Eviews 9.*

*The test results obtained from this study, simultaneously show that the Loan to Deposit Ratio (LDR), Operational Income Operational Costs (BOPO), and Capital Adequacy Ratio (CAR) significantly influence Non Performing Loans (NPL). Partially, the Loan to Deposit Ratio (LDR) does not have a significant effect on Non Performing Loans (NPL), Operational Income Operational Costs (BOPO) has a significant positive effect on Non Performing Loans (NPL), Capital Adequacy Ratio (CAR) has a significant negative effect on Non Performing Loans (NPL).*

*Based on the results of this study, it is expected that further researchers add more the research sample and use other variables outside of this study. The bank expected to pay more attention to Operational Income Costs (BOPO) and Capital Adequacy Ratio (CAR) as best as possible.*

**Keywords:** *Capital Adequacy Ratio (CAR); Loan to Deposit Ratio (LDR); Non Performing Loan (NPL) Operational Income Operational Costs (BOPO).*