

ABSTRACT

The banking sector is everything related to banks, including institutions, business activities as well as ways and processes in carrying out their business activities. The banking sector plays an important role in a country's economy, because banks play an important role in improving the economy and maintaining a country's economic stability. The banking industry has become more competitive due to deregulation of regulations and the emergence of business players in financial activities such as Fintech players. Therefore the bank must strive to always maintain its performance so that it always carries out its functions properly. However, in maintaining its performance there are certainly factors that can affect its performance.

Indicated independent variables can affect bank performance in this study, namely Non Performing Loans (NPL), Loan Deposit Ratio (LDR), Capital Adequacy Ratio (CAR), board of commissioners, and directors. While the dependent variable of this research is Return On Assets (ROA). This study aims to determine how the influence of Non-Performing Loans (NPLs), Loan Deposit Ratio (LDR), Capital Adequacy Ratio (CAR), board of commissioners, and directors on Return On Assets (ROA) both simultaneously and partially on banks on the Stock Exchange The Indonesian effect because previous research has inconsistent results.

The population in this study amounted to 43 companies in banks listed on the Indonesia Stock Exchange in the 2014-2018 period. The number of companies sampled were seven companies with a five-year observation period and 35 total sample data were obtained using the nonprobability sampling method. The analytical method used is quantitative analysis.

The results of this study indicate that the simultaneous variables of Non-Performing Loans (NPL), Loan Deposit Ratio (LDR), Capital Adequacy Ratio (CAR), the board of commissioners, and directors influence the Return on Assets (ROA). Partially the Non Performing Loan (NPL) and Loan Deposit Ratio (LDR) variables have a negative effect on Return On Assets (ROA), the Capital Adequacy Ratio (CAR) variable has a positive effect on Return On Assets (ROA) while the board of commissioners and directors have no effect on Return On Assets (ROA).

Keywords: *Board of Commissioners, Capital Adequacy Ratio, Directors, Loan Deposit Ratio, Non Performing Loan, Return On Asset*