

ABSTRACT

To evaluate the financial performance of a company in earning profits can use the profitability ratio (ROA), because profitability is able to describe how far the company's ability to generate profits expressed from available financial resources. The higher the profit generated, the higher the ROA. A higher Return on Asset (ROA) means that the profitability and financial performance of the bank is at a good level.

The author conducted this study to examine the effect of Non Performing Loan (NPL), Loan Deposit Ratio (LDR), and Capital Adequacy Ratio (CAR) on Return on Asset (ROA) in Bank Sub-Sector Companies listed on the Indonesia Stock Exchange for the period 2018-2022. The data used is data obtained from financial statement data recorded on the IDX. The quantitative research method is the research method used in this research.

The population in this study were Bank Sub-Sector Companies listed on the Indonesia Stock Exchange. The sample selection technique used was purposive sampling and obtained 39 National Private Banks with the research period in 2018-2022. The data analysis method in this study is panel data regression analysis using EViews 12 software.

The results showed that simultaneously Non-Performing Loan (NPL), Loan Deposit Ratio (LDR), and Capital Adequacy Ratio (CAR) had a significant effect on Return on Asset (ROA). Partially Non-Performing Loan (NPL) has a significant negative effect on Return on Asset (ROA). Meanwhile, Loan Deposit Ratio (LDR) and Capital Adequacy Ratio (CAR) have a significant positive effect on Return on Asset (ROA). This research is expected to add references regarding the influence of financial ratios owned by banking companies on profitability ratio (ROA). Based on the results of the study, suggestions that can be given to future researchers are to add the research period to the latest, expand the research population, and add other different variables.

Keywords: *Non-Performing Loan (NPL), Loan Deposit Ratio (LDR), Capital Adequacy Ratio (CAR), dan Return on Asset (ROA)*