FINANCIAL PERFORMANCE ASSESSMENT AND ITS IMPACT ON NATIONAL PRIVATE BANK PROFIT (STUDY ON INDONESIA STOCK EXCHANGE)

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ABSTRACT

The purpose of this study is to determine the effect of financial performance measured by variable components: Non Performing Loan (NPL), Loan To Deposit Ratio (LDR), Capital Adequacy Ratio (CAR), and Net Interest Margin (NIM) on Return On Assets (ROA). Non Performing Loans (NPLs), Loan To Deposit Ratio (LDR), Capital Adequacy Ratio (CAR), and Net Interest Margin (NIM) as independent variables. Profitability is measured by Return On Assets (ROA) as the dependent variable.

This study was conducted using secondary data. Sampling was done by purposive sampling method. The number of companies used in this research is 7 samples of the company. Data analysis methods used are multiple linear regression, classical assumption test, t test, F test and coefficient of determination test.

The result of analysis shows that partially Non Performing Loan (NPL) has significant influence to ROA, while Loan To Deposit Ratio (LDR), Capital Adequacy Ratio (CAR) and Net Interest Margin (NIM) have no significant effect on ROA. Simultaneously that Non Performing Loan (NPL), Loan To Deposit Ratio (LDR), Capital Adequacy Ratio (CAR), and Net Interest Margin (NIM) have significant effect to ROA.

Keywords: Non Performing Loan (NPL), Loan To Deposit Ratio (LDR), Capital Adequacy Ratio (CAR), Net Interest Margin (NIM), Return On Asset (ROA).

INTRODUCTION

In the era of the 2000s the growth of national private banks in Indonesia is very fast, it encourages the development of Indonesia's growing economy. The banking sector is instrumental in mobilizing public funds for various purposes of great improvement. Formerly the banking sector was no more than a facilitator of government activities and some big companies, and has now turned into a very influential sector for the economy.

The condition of the banking world in Indonesia has undergone many changes. This change is in addition to the internal development of the banking world is also not free from the influence of development outside the banking world that is macroeconomic conditions.

The banking sector from time to time shows positive growth trends and bank resilience remains solid. This is reflected in the growth in credit and savings, and the ratio of NPLs maintained, as well as a relatively high capital adequacy ratio (CAR), said Singaporean Bank OCBC Economist Wellian Wiranto (Sindonews.com, Thursday, March 17, 2016)

Constraints of capital needs in the business world one of the alternatives can be met by the banking sector. To overcome this capital problem, the bank becomes one option to finance the business through credit services offered by the bank. According to Act Number 10 of 1998 concerning Banking (Cashmere, 2012: 24) "a bank is a business entity that collects funds from the public in the form of savings and distributes it to the community in the form of credit and / or other forms in order to improve the standard of living of the people many.

From several banking companies, in this study the bank used is a national private bank. A national private bank is a bank incorporated as an Indonesian legal entity, partly or wholly owned by an Indonesian citizen and or a legal entity of Indonesia. Banks need to obtain sufficient resources to support their operational activities. The source of funds can come from own funds, loans, and third parties. Fund disbursement activities to third parties can be done in the form of credit to the debtor, placed in the form of securities, liquid instruments to show the liquidity of the bank, and other fund disbursements.

In measuring the financial performance of a bank, profitability is one indicator that can be used. According Sartono (2001: 114) profitability ratio can be used to measure how much the company's ability to earn profits, both its relationship with sales, assets, and profit for own capital. In measuring company performance is generally proxied with Return On Equity (ROE) and Return On Assets (ROA). In the banking industry Return On Equity (ROE) is a ratio that shows the company's ability to generate net income by using its own capital and generate net income available to owners or investors. Return On Assets (ROA) is the ratio between net retained earnings after tax with total assets of the company as a whole. In this study using ROA, because in determining the soundness of a bank, bank Indonesia is more concerned with ROA valuation than ROE because Indonesian banks prefer the profitability of a bank in measuring with assets so that ROA is more representative in measuring the level of bank profitability.

The financial performance of banks in this study is measured by 4 aspects, namely capital, assets, earnings, and liquidity. Capital aspect uses Capital Adequacy Ratio (CAR) indicator, asset aspect using Non Performing Loan (NPL) indicator, earning aspect includes Net Interest Margin (NIM), while liquidity aspect uses Loan to Deposit Ratio (LDR) indicator, while profit in this research measured by Return On Assets (ROA).

Based on the above description, this study makes a comprehensive analysis of the bank's financial performance and its impact on earnings at the National Private Bank in the Indonesia Stock Exchange Period 2011-2016.

LITERATURE REVIEW

Profitability

Profitability can be defined as the ability of companies to earn profits in relation to sales, total assets, and own capital (Sartono, 1998: 130). In this study Profitability used is Return On Assets (ROA). According to Lukman Dendawijaya (2005: 118) is the ratio used to measure the ability to gain profit (profit) as a whole. ROA indicates a company's ability to generate return on assets used (Margaretha: 2014). Bank Indonesia as the monetary authority sets the ROA of 1.5% for the bank to be said to be in good health. Profit in this study is measured by Return On Assets (ROA), The formula used:

Return on assets (ROA) = Profit in this study is measured by Return On Assets (ROA), The formula used: Return on assets (ROA) = (Profit Before Tax) / (Average Total Assets) x 100%

Non Performing Loan (NPL)

Non performing loans in the understanding of ordinary people can be interpreted as bad credit or problematic. Dendawijaya (2001: 85) states, Non Performing Loan is a loan with principal repayment and interest payment has been delayed more than 1 (one) year since its due date according to the agreed schedule. Non Performing Loans can also be interpreted as loans that have difficulty repayment due to intentional factors and / or due to external factors beyond the ability of the debtor that can be measured from the collectibility. The higher the NPL resulted in higher loan interest arrears that could potentially reduce revenues and interest and lower profits (Muljono, 1999: 27).

Bank Indonesia sets the gross NPL ratio less than 5%. According to Jumiang (2011: 244) Non Performing Loan can be calculated using the formula:

NPL = (Troubled Credit) / (Total Credits) X 100%

Loan to Deposit Ratio (LDR)

Loan to Deposit Ratio (LDR) ratio of the total amount of loans granted by banks with funds received by banks. This ratio indicates one of the bank's liquidity rating (Lukman Dendawijaya, 2005: 116).

According to Dendawijaya (2003), the Loan to Deposit Ratio represents the extent of the bank's ability to repay the withdrawal of funds by the depositor by relying on the credit given as a source of liquidity. According to Bank Indonesia regulation the LDR is 77-100%. According to Dahlan (2005: 215) Loan to Deposit Ratio can be calculated using the formula: LDR = (Total Credits) / (Third Party Funds) X 100%

Capital Adequacy Ratio (CAR)

Capital Adequacy shows the bank's ability to maintain sufficient capital and bank's management capability in identifying, monitoring and controlling risks that may affect the amount of bank capital (Dendawijaya, 2009). Capital is also a major determinant of a bank's loan capacity. A bank's balance sheet can not be extended beyond the rate determined by its capital adequacy ratio. As a result, the availability of capital determines the maximum level of assets (Greuning & Bratanovic, 2011: 105). Bank Indonesia requires every commercial bank to require minimum CAR for Indonesia's commercial banks to be 8% (Dendawijaya, 2009: 144). CAR = (Bank Capital) / ATMR × 100%

Net Interest Margin (NIM)

(Riyadi, 2006) states that NIM is the ratio of interest income (interest earned bank interest) less expenses (interest expense of bank to burden) divided by average interest earning assets (average earning assets used). The standard set by the Indonesian bank for the NIM ratio is 6% and above. The greater this ratio, the higher the interest income on productive bank managed so that the possibility of banks in the troubled condition is getting smaller.

NIM = (Net Interest Income) / (Earning Assets) × 100%

Hypothesis

Based on the above theoretical study, the following hypotheses are proposed:

1. Effect of Non Performing Loan (NPL) on Profitability (Return On Assets).

Non Performing Loan or so-called problem loans can be interpreted as a loan that has difficulty repayment due to a factor of gap or external factors beyond the ability of the control of the debtor. Credit payments will be a source of cash flow and the need for liquidity will be met. But in channeling credit, banks often faced various problems. Research conducted by Mubarok (2010) about the effect of Non Performing Loan on profitability shows the result that Non Performing Loan gives positive influence to bank profitability. Based on the description can be drawn hypothesis as follows:

H_1: Non Performing Loan (NPL) has a significant positive effect on Return On Assets (ROA).

2. Effect of Loan to Deposit Ratio (LDR) on Profitability (ROA).

Liquidity is the amount of liquid funds provided by banks to meet withdrawals made by customers, either withdrawal of savings funds or withdrawal of funds for an approved credit disbursement. LDR is a ratio to measure the ability of banks to issue credit from third party funds collected in banks. The standard used by Bank Indonesia for a bank's LDR ratio is 80% to 110%. If the LDR ratio of a bank is below 80%, the bank can only disburse credits under the standard set by Bank Indonesia, so the lower LDR indicates the lack of bank effectiveness in disbursing credit. The higher the LDR the bank's profit will be increased, assuming that the bank is able to channel its credit effectively. This is in accordance with research conducted by Agustiningrum (2012) which states that the Loan to Deposit Ratio (LDR) has a positive and significant impact on profitability. Based on the description can be drawn hypothesis as follows:

H_2: Loan to Deposit Ratio (LDR) has a significant positive effect on Return On Assets (ROA).

3. Influence of Capital Adequacy Ratio (CAR) to Profitability (ROA)

According to Dendawijaya (2005: 119), the influence of the level of capital adequacy to profitability can be expressed as follows, the level of capital adequacy used as a health indicator of a bank. Can be interpreted as the ability of a bank to perform banking operations normally and fulfill all its obligations in a manner consistent with the prevailing banking regulations. Profit or profit is an indication of the success of a business bank. Company performance information, especially in terms of the company's ability to earn profit (profitability) is needed to assess potential changes in potential economic resources that may be controlled in the future. Bank management is more concerned with the valuation of ROA because it prioritizes the profitability of a bank as measured by an asset whose funds are mostly derived from the public savings funds. Capital adequacy ratio is an important factor for banks in the development of business and accommodate losses and reflects the health of banks that aim to maintain public confidence in the banking, protecting public funds against the banks concerned, so that people believe to raise funds in the bank, the funds collected is then reclaimed by the bank to the community in the form of credit. In this credit can encourage income to generate interest, from the interest that the bank get a profit or profit. With this level of profit or profitability banks can improve the strong capital structure so as to form a sound financial condition.

Research conducted by Sasongko (2014) and Putri (2013) about the influence of capital Adequacy Ratio (CAR) variable to profitability variable that variable of Capital Adequacy Ratio have positive and significant influence to bank profitability. On the basis of this matter, hence hypothesis as follows:

H_3: Capital Adequacy Rate (CAR) has a significant positive effect on Return On Assets (ROA).

4. Effect of Net Interest Margin (NIM) on Profitability (ROA)

Net Interest Margin (NIM) is a ratio to measure the ability of bank management in managing its productive assets to generate net interest income. Net interest income is derived from interest income less interest expense. This ratio indicates the ability of banks to obtain operational income from funds placed in the form of loans (credit).

Research conducted by Pandu Mahardian (2008) on the Effect of Net Interest Margin (NIM) Against ROA that Net Interest Margin (NIM) variable has a significant positive effect on ROA. Based on the description can be drawn hypothesis as follows:

H_4 : Net Interest Margin (NIM) has a significant positive effect on Return On Assets (ROA).

5. The Influence of Non Performing Loan (NPL), Loan to Deposit Ratio (LDR), Capital Adequacy Ratio (CAR) and Net Interest Margin (NIM) to Profitability (ROA).

Based on the description that has been described above it can be made research hypothesis that is:

H_5: Non Performing Loan (NPL), Risk Loan to Deposit Ratio (LDR), Capital Adequacy Ratio (CAR) and Net Interest Margin (NIM) simultaneously have a positive and significant influence simultaneously on Return On Assets (ROA).

RESEARCH METHODS

The population in this study is the national private banking listed on the Indonesia Stock Exchange of 23 Banks.

Data Sources and Data Collection Methods

Sources of data in this study are primary and secondary data. While data collection method is done through data documentation and collecting related data through representative office of Indonesia Stock Exchange in Surabaya and various other data source.

Variable Measurement

Variable in this research is data ratio. Measurements of research variables are the financial performance of the national private banks and their impact on the profit earned in the National Private Banks listed on the Indonesia Stock Exchange period 2011-2016.

Data analysis technique

The analysis model used in this research is multiple regression analysis model.

Sampling technique

The sample used in this research is 7 companies. Techniques in sampling in this research is Purposive sampling technique is the determination of the sample based on the criteria set. The criteria are:

a) National Private Banks listed on the Indonesia Stock Exchange during the period 2011-2016.
b) The National Private Bank publishes the complete annual report of the year 2011-2016.
c) Disclose and present the complete data needed in research related to research variables in the period 2011-2016.

d) The financial statements should have a book year ending 31 December.

Table 1. List of Sample Research

Code Bank	Bank
AGRO	Bank Agro Niaga Tbk
BNII	Bank Internasional Indonesia Tbk
BBNP	Bank Nusantara Parahyangan Tbk
NISP	Bank OCBC NISP Tbk
PNBN	Bank Pan Indonesia Tbk
BNLI	Bank Permata Tbk
BSIM	Bank Sinarmas Tbk

Source: Indonesia Stock Exchange

DISCUSSION AND FINDINGS

Conceptual framework of influence between variables in the study is shown in Figure 1 below:

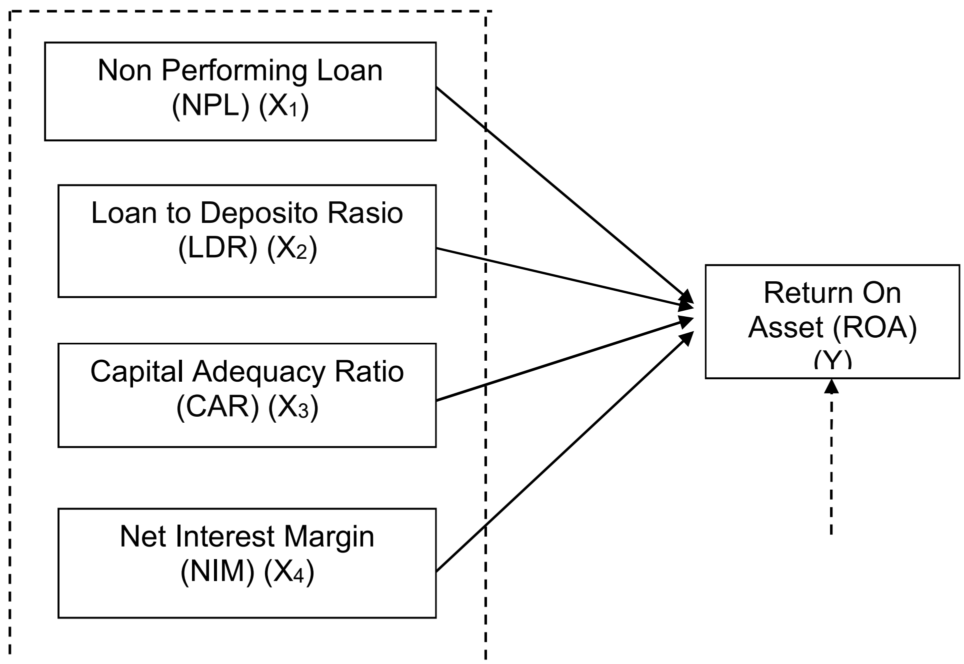

Figure 1. Conceptual Framework

Results of processing and testing data by using multiple regression obtained regression equation as follows:

ROA = 2,045 - 0,347 NPL - 0,001 LDR - 0,02 CAR + 0,00 NIM + e

Based on the above regression model, the result of multiple regression can be explained as follows.

1. The multiple linear regression equation above, is known to have a constant of 2.045 with a positive sign. The magnitude of the constants shows that if the independent variables (NPL, LDR, CAR, and NIM) are assumed to be constant, then the dependent variable of ROA will rise by 2.045%.
2. The variable coefficient of NPL has a value of -0.347 means that each NPL increase of 1% will cause a decrease in ROA value by 0.347%.

3. LDR variable coefficient of -0.001 indicates that every increase of LDR by 1% then ROA will rise also 0.001%.
4. Based on the CAR variable has a value of -0.02 every 1% CAR increase will cause a decrease in ROA value of 0.02%.
5. Variable NIM has a coefficient value of 0.00 means any increase of 1% will cause a ROA increase of 0.00%.

Table 2

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,045	,368		5,560	,000
	NPL	-,347	,073	-,603	-4,752	,000
	LDR	-,001	,001	-,064	-,508	,615
	CAR	-,001	,014	-,010	-,071	,944
	NIM	,000	,000	,177	1,302	,201

From the model can be interpreted from 4 independent variables in the show that is X1 (NPL), X2 (LDR), X3 (CAR) and X4 (NIM), there is one variable significant influence with negative direction ie variable NPL to intermediate profit three variables free others have no significant effect on earnings.

Table 3. Testing results between variables

Variable	t_{Count}	Probability	Information
The impact of X_1 (NPL) on Y (Profit)	-4,752	0,000	Significance
The impact of X_2 (LDR) On Y (Profit)	-0,508	0,615	Not Significance
The impact of X_3 (CAR) On Y (Profit)	-0,071	0,944	Not Significance
The impact of X_4 (NIM) On Y (Profit)	0,000	0,201	Not Significance

Data Source: Secondary Data processed

1. Effect of NPL Variable on Profitability (ROA)

Theoretically Non Performing Loan (NPL) is a condition in which the customer is unable to pay part or all of its obligations to the bank as it was promised.

From the results of research using t test obtained the value of regression coefficient for the variable Non-Performing Loan (NPL) -0.347 with a significance value of 0.00 negatively and significantly affect the Return On Assets (ROA). Because the variable Non Performing Loan (NPL) of 0.00 is smaller than the significant level of 5% (significant level $\alpha = 0.05$).

Based on data during the 2011-2016 study period, the overall research has an average Non Performing Loan (NPL) below the maximum standard set by Bank Indonesia of 5%, namely Bank Agro Tbk with an average value of 2.687%, International Bank Indonesia Tbk with an average value of 2.521%, Bank Nusantara Parayangan Tbk with an average value of 3.720%, Bank OCBC NISP Tbk with an average value of 1.234%, Bank Pan Indonesia Tbk with an average value of 2.409% Bank Permata Tbk with an average value of 2.893%, and Bank Sinarmas Tbk with an average value of 2.553%.

The bank can be said to be healthy because it has a value Non-Performing Loan (NPL) is not too high. The bank may be the cause of the significant Non Performing Loan (NPL) variable to Return On Assets (ROA) in this study, because the bank has no financial constraints.

If Non Performing Loan (NPL) increases, the worse the credit quality of the bank will be the higher the number of non performing loans, and therefore the bank must bear the losses in its operational activities so that the profit on Return On Assets (ROA) decreases. In addition, the high Non Performing Loan (NPL) is due to non-compliance with the implementation of policies that resulted in the decline in credit collec- tivity and the inability of credit or debtor payments based on agreed time. This research supports from research conducted by Fifit Syaiful Putri (2013) which states Non Performing Loan (NPL) has a negative effect on Return On Assets (ROA).

2. **Effect of LDR Variable on Profitability (ROA)**

Theoretically Loan To Deposit Ratio (LDR) represents the ratio between the total amount of credit given by the bank with funds received by the bank.

From the results of research using t test, the value of regression coefficient for Loan To Deposit Ratio (LDR) is equal to -0.01 with a significance value of 0.615 has a negative and insignificant effect on Return On Assets (ROA). Because the variable Loan To Deposit Ratio (LDR) of 0.615 is greater than the significant level of 5% (significant level $\alpha = 0.05$). This shows that the difference of Loan To Deposit Ratio (LDR) has a value difference that is much different from the Return On Asset (ROA).

Based on the calculation data of Loan To Deposit Ratio (LDR) obtained from Indonesia Stock Exchange, the inconsistency of Loan To Deposit Ratio (LDR) variable to Return On Asset (ROA) is depicted in the calculation of the average of every variable from year to year. In 2011-2012 LDR has a negative average value of -5.975% while ROA has a negative average value of 0.199%. In 2012-2013 LDR has a negative average value of -3.672% while ROA has a positive average value of 0.236%. In 2013-2014 the LDR has a negative average of -123.03% while ROA only has an average value of 0.148%. Furthermore, in 2014-2015 LDR has a negative average value of -123.845% while ROA has an average value of 0.159%. And in 2015-2016 LDR has an average value of 4.311% while ROA has only average value of 0.659%.

In this research, Loan To Deposit Ratio (LDR) has no significant effect on Return On Asset (ROA) due to imbalance between the amount of fund sources that come with the amount of credit placed to the public. Then the higher funding from third parties collected in the bank but not offset by the credit distribution, then the possibility of banks experiencing a loss or decrease in Return On Assets (ROA), because interest income from credit distribution to the debtor is not sufficient to cover the interest fee to be paid to the depositor.

This resulted in the credit disbursed by the bank did not contribute much profit to the National Private Bank. This study supports the results of research conducted by Moh Husni Mubarok (2010) which states Loan To Deposit Ratio (LDR) has no positive effect on Return On Assets (ROA).

3. **Effect of CAR Variables Against Profitability (ROA)**

The Capital Adequacy Ratio (CAR) is theoretically the amount of capital required to cover the risk of loss arising from the planting of risk-bearing assets and financing all fixed items and inventory.

From the results of research using t test obtained regression coefficient value for Capital Adequacy Ratio (CAR) variable of -0.01 with significance of 0.944 negataif influence and not significant to Return On Assets (ROA). Because the variable Capital Adequacy Ratio (CAR) of 0.994 is greater than the significant level of 5% (significant level $\alpha = 0.05$). This shows the mismatch between the rise and fall of the Capital Adequacy Ratio (CAR) variable value with the Return On Asset (ROA) variable.

Based on the calculation data of Capital Adequacy Ratio (CAR) obtained from Indonesia stock exchange, CAR is not significant to ROA because there are some mismatch between up and down value of CAR variable with ROA variable during research period, from calculation result of difference from year to year. In 2011-2012 CAR has a negative average value of -10.095% while ROA has an average value equal to negative at -0.199%, in 2012-2013 CAR has an average value of 7.282% while ROA only has an average value at a rate of 0.236%. And in 2013-2014 CAR has an average value of 2.621% while ROA only has an average value of 0.148%. Furthermore, in 2014-2015 CAR has a negative average value of -2.617% while ROA has an average value of 0.159%. In 2015-2016 CAR has a negative average value of -1.429% while ROA has an average

value of 0.659%. If the higher the CAR ratio then the better the bank in fulfilling its capital which will have a positive effect on ROA.
Banking companies during the study period have met the minimum standard of CAR determined by Bank Indonesia at a minimum of 8%. In 2010-2012 Bank Pan Indonesia Tbk has a CAR value of 19.24%, and in 2012 amounted to 82.27%, and in 2013-2015 Bank Agro Tbk has a CAR value of 25.91% in 2014 of 19 , 6%, and by 2015 by 22.11%. In 2016 Nusantara Parayangan Tbk bank has CAR value

In 2016 Nusantara Parayangan Tbk bank has CAR value of 182,83%. High CAR can reduce the ability of banks in expanding their business because the greater the capital reserves used to cover the risk of loss. Inhibition of expansion due to high CAR that will ultimately affect the financial performance of banks. This results in a decrease (ROA). The results of this study support the results of research conducted by Ita Ari Sasongko (2014) which states CAR has a negative and insignificant effect.

4. **Effect of NIM Variables on Profitability (ROA)**
Net Interest Margin (NIM) is a bank's ability to generate net interest income earned by using earning assets.
Based on the data analysis conducted From the results of research using t test found that the ratio of Net Interest Margin has a value of 0.00 with a significance value of 0.201 have a positive and insignificant effect on Return On Assets (ROA). Because the NIM variable of 0.201 is greater than the significant level of 0.05. the influence of non-significant NIM Because in this study there is a discrepancy between the increase or decrease in the value of NIM variables with the value of ROA variables, due to increased interest costs due to the increase in BI rate and inflationary pressures cause banks to lose the opportunity to earn profits and productive assets. The bank does not raise the interest on credit because it causes problem loans to increase. This is evidenced from the difference in 2011-2012 NIM has an average value of -616.89o% while ROA has a negative average value of -0.199%. In 2012-2013 NIM has an average of 3.262% while ROA has an average value of 0.236%. Next In 2013-2014 NIM has an average of 31.367% while ROA has an average value of 0.148%. In 2014-2015 NIM has a negative average of -12.501% while ROA has an average value of 0.159%. And in 2015-2016 NIM has a negative average of -57.734% while ROA has an average value of 0.659%.

5. **Effect of NPL, LDR, CAR and NIM Variables on Profitability (ROA)**
Based on the results of F test obtained value of 6.415 with a significance value smaller than 0.05 is 0.001, it shows that the independent variables simultaneously affect the dependent variable so that the proposed hypothesis is NPL, LDR, CAR and NIM effect simultaneously to Return On Asset (ROA) is accepted. That is, any changes that occur in the independent variables of NPL, LDR, CAR, and NIM simultaneously or together will affect the ROA of the National Private Bank.
(Cashmere, 2004) states that the higher the NPL ratio, the worse the credit quality of the bank, the higher the number of non-performing loans, and therefore the bank must bear the losses in its operational activities that affect the profit decrease (ROA). And LDR according to Kashmir (2014: 225) the higher the ratio gives an indication of the lower ability of the bank's liquidity, because the amount of funds needed to finance the credit becomes greater. At higher CAR Ratio CAR ratio, the better the bank in fulfilling its capital which will have a positive effect on ROA (Dendawijaya, 2009: 121). In the NIM ratio (Millatina, 2012: 2) the greater the NIM change of a bank then, the greater the profitability (ROA) of the bank, which means the financial performance of the greater the change.

CONCLUSION

This research know the influence of Non Performing Loan (NPL), Capital Adequacy Ratio (CAR), and Net Interest Margin (NIM) to profitability proxy with Return On Asset (ROA). Based on the results of the data analysis and pembahasaan research results, can be drawn conclusion as follows:

1. T test (partial) variable Non Performing Loan (NPL), Loan To Deposit Ratio (LDR), Capital Adequacy Ratio (CAR), and Net Interest Ratio (NIM) have influence on profitability (ROA) as follows:
   a) Non Performing Loan (NPL) variable has a negative and significant effect on Return On Assets (ROA) at National Private Banks listed on Indonesia Stock Exchange. It is evident that the Non Performing Loan (NPL) has negative value coefficient of -0.347 and a significance value of 0.000 where the value 0.000 <0.05 which means a significant effect.
   b) The Loan To Deposit Ratio (LDR) variable has a negative and insignificant effect on Return On Assets (ROA) at National Private Banks listed on Indonesia Stock Exchange. It is proven that Loan To Deposit Ratio (LDR) has negative coefficient equal to -0,001 and signification value equal to 0,615 where 0,615> 0,05 meaning not significant.
   c) Capital Adequacy Ratio (CAR) variables have a negative and insignificant effect on Return On Assets (ROA) at National Private Banks listed on Indonesia Stock Exchange. It is proven that Capital Adequacy Ratio (CAR) has negative coefficient equal to -0,001 and significance value equal to 0,944 where 0,944> 0,05 meaning significant influence not significant.
   d) Variable Net Interest Margin (NIM) has positive and insignificant effect on Return On Assets (ROA) at National Private Banks listed on Indonesia Stock Exchange. It is proven that Net Interest Margin (NIM) has a positive coefficient of 0.00 and a significance value of 0.201 where 0.201> 0.05 meaning no significant effect.
2. The independent variables of Non Performing Loan (NPL), Loan To Deposit Ratio (LDR), Capital Adequacy Ratio (CAR), and Net Interest Ratio (NIM) together significantly influence the dependent variable Return On Assets (ROA) on a National Private Bank company listed on the Indonesia Stock Exchange. This is evident from the results of the F test shows the value of F of 6.415 with a significance value of 0.001 where 0.001 <0.05, which means a significant effect.

SUGGESTION

Based on the results of the discussion and conclusions taken in this study, then there are some suggestions to be given are:

1. For the management of the company is expected to take steps to make non-performing loans does not always occur in the company and did not experience a decrease in Return On Assets (ROA). In addition, the company must also be able to maintain the four variables indpenden Loan to Deposit Ratio (LDR), Capital Adequacy Ratio (CAR), and Net Interest Margin (NIM) for Return On Assets (ROA) better and increased. Because the results of the simultaneous F test independent variables together significantly influence taerhadap dependent variable.
2. For the next researcher is expected to observe with other variables in order to know what factors affect the Return On Assets (ROA).
3. For investors should take investment decisions by considering Non Performing Loan factor because Non Performing Loan has negative and significant impact on financial performance of banking as measured by Return On Asset.

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