

ABSTRACT

Title : *The Effect of Loan to Deposit Ratio (LDR), Non Performing Loan (NPL) and Operational Cost of Operating Income (BOPO) to Return On Asset (ROA) (The Case Study on Banking Companies that Listed on the Indonesian Stock Exchange Period 2015–2018)*

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This study aims to examine the variable effect of Loan to Deposit Ratio (LDR), Non Performing Loan (NPL) and Operational Cost of Operating Income (BOPO) to Return On Asset (ROA) on banking companies Period 2015–2018.

The population of this study is the registered banking companies on the Indonesian Stock Exchange Period 2015–2018. The sample selection is using the purposive sampling method that consisted of 20 banking companies and processed by SPSS program. The data analysis techniques are the descriptive statistic, the data normality test, the classic assumption test, the multiple regression linear test and the hypothesis test.

The result of this study showed that Loan to Deposit Ratio (LDR), Non Performing Loan (NPL) and Operational Cost of Operating Income (BOPO) have the simultan neously effect to Return On Asset (ROA). Partially, Loan to Deposit Ratio (LDR) has a significant negative effect to Return On Asset (ROA), Non Performing Loan (NPL) has a significant positive effect to Return On Asset (ROA), and Operational Cost of Operating Income (BOPO) has a significant negavite effect to Return On Asset (ROA).

The ability of the independent variable in explain the variation of the dependent variable of this study only 96,2%, while the remaining 3,8% is explained by other variables that are not included in this study.

Key Words : *Loan to Deposit Ratio (LDR), Non Performing Loan (NPL), Operational Cost of Operating Income (BOPO) and Return On Asset (ROA)*