Global Scientific JOURNALS

GSJ: Volume мн, LăădzŜ нΣ CŜōNdzI·Nè нлнп Online: ISSN нонл-фмус
www.globalscientificjournal.com

ANALYSIS OF FACTORS AFFECTING A FINANCIAL PERFORMANCE AT PD. BPR BAHTERAMAS KONAWE

Hardianto[1], Andi Basru Wawo[2], Mahmudin A. Sabilalo[3]

Author Details
[1] Magister of Management Program of STIE Enam Enam Kendari, Indonesia.
[2] Faculty of Economics and Business, Halu Oleo University, Indonesia
[3]. Magister of Management Program of STIE Enam Enam Kendari, Indonesia

ABSTRACT

The purpose of this research is to determine and analyze the influence of 1) Capital Adequacy Ratio (CAR), Loan to Deposit Ratio (LDR), Non-Performing Loans (NPL), Operational Costs, and Operational Income (BOPO) simultaneously on PD Financial Performance. BPR Bahteramas Konawe. 2) Capital Adequacy Ratio (CAR) on Financial Performance in PD. BPR Bahteramas Konawe. 3) Loan to Deposit Ratio (LDR) on Financial Performance in PD. BPR Bahteramas Konawe. 4) Non-Performing Loans (NPL) on Financial Performance in PD. BPR Bahteramas Konawe. 5) Operational Costs and Operational Income (BOPO) on Financial Performance in PD. BPR Bahteramas Konawe.

The data used in this research is secondary data. The data analyzed in this research is the financial data of PD.BPR Bahteramas Konawe. Meanwhile, the data source in this research comes from PD's annual report. BPR Bahteramas Konawe for the 2018-2022 period. The analysis in this research uses the classic assumption test, multiple linear regression test, and hypothesis testing. The analytical tool used in this research is SPSS 25.

Based on the research results, it can be concluded that: CAR, LDR, NPL, and BOPO simultaneously have a positive and significant effect on PD's ROA. BPR Bahteramas Konawe This means that the CAR, LDR, NPL, and BOPO PD values are getting better. BPR Bahteramas Konawe which complies with the BPR Health standards determined by OJK regulations will affect the bank's profitability. Partially, CAR has a positive and insignificant effect on PD's ROA. BPR Bahteramas Konawe. LDR and NPL have a negative and insignificant effect on ROA. Meanwhile, BOPO has a negative and significant effect on ROA.

Keywords: ***Capital Adequacy Ratio (CAR), Loan to Deposit Ratio (LDR), Non-Performing Loan (NPL), Operating Costs and Operating Income (BOPO), Return On Assets (ROA)***

INTRODUCTION

People's Credit Bank (BPR) is a financial institution aimed at serving the needs of banking services for small economic communities in Indonesia. BPR has a main role in contributing to the community's economy in the microeconomic sector by providing access to financial needs. The role of BPR in advancing the community's economy is very important so that BPR has grown well to date (Hamidi, 2017).

According to the Financial Services Authority (2018), BPR business activities are much narrower compared to commercial banks because BPRs are prohibited from accepting current account deposits, foreign exchange activities, and insurance. The Rural Bank's business activities are (1) collecting funds from the public in the form of savings in the form of time deposits, savings, and other forms. (2) providing credit, (3) providing financing and placing funds based on sharia principles under those determined by BI, (4) placing funds in the form of Bank Indonesia Certificates (SBI), time deposits, deposit certificates, and savings at other banks.

Performance is an important thing that must be achieved by every company because performance itself is a reflection of the company's ability to manage and allocate resources, including banking. Financial performance is an analysis carried out to see the extent to which a company has implemented financial implementation rules properly and correctly (Mawengkang, 2013). Financial performance as seen from the financial reports owned by the company or business entity concerned, is reflected in the information obtained on the balance sheet, income statement (profit and loss report), and cash flow statement (cash flow report) as well as other matters others who support it as a strengthening of the financial performance assessment (Rumondor, 2013). Based on the financial reports, some financial ratios can be calculated, namely liquidity, solvency, profitability, and operational efficiency ratios.

Company performance assessment for management can be interpreted as an assessment of the achievements that can be achieved. In this case, profit can be used as a measure of the achievements achieved in a company. It is important to assess company performance, both by management, shareholders, government, and other interested parties, and is related to the distribution of welfare among them, including banking (Merkusiwati, 2007).

To maintain and increase public trust, bank management must pay attention to its business performance. One assessment of banking performance is to look at the level of profitability (Prasetyo, 2009). Conceptually, Dendawijaya (2003:116-124) explains that banking financial performance can be measured from the profitability ratio as measured by Return On Assets (ROA). This is in line with research conducted by Olson & Zoubi (2011) and Sufian & Habibullah (2012) that banking financial performance is measured using the Return On Assets ratio.

In this study, researchers used the variables Capital Adequacy Ratio (CAR), Loan to Deposit Ratio (LDR), Non-Performing Loans (NPL), Operational Costs and Operational Income (BOPO), and also Return On Assets (ROA) to measure the factors that affect the financial performance of Rural Banks (BPR).

Chou and Buchdadi (2016), in their research, explained that several factors influence BPR financial performance, namely: CAR (Capital Adequacy Ratio), LDR (Loan to Deposit Ratio), NPL (Non-Performing Loan), and BOPO (Operating Costs). In line with this research, Agustini & Budiasih (2014), and Maryadi & Basuki (2014) in their research explained that the factors that influence BPR financial performance are CAR, LDR, NPL, and BOPO.

The following table presents PD's financial performance. BPR Bahteramas Konawe 2018-2021 Period:

Table 1. PD Financial Performance Data. BPR Bahteramas Konawe 2018-2021 Period

	Year (%)			
	2018	2019	2020	2021
CAR	86.02	65.55	85.78	60.95
LDR	70.49	49.87	61.37	64.39
NPLs	7.68	5.29	5.96	1.60
BOPO	71.56	55.10	68.56	64.96
ROA	3.11	5.24	4.78	5.17

Source:www.ojk.go.id 2023, processed

Based on the Financial Services Authority Publication Report, the average growth in CAR PD. BPR Bahteramas Konawe from 2018-2021 generally experienced a decline. In 2018 CAR PD. BPR Bahteramas Konawe was at 86.02%, which then in 2019 fell by 20.47% to 65.55%, which indicates that between those years there was a decline in PD capital adequacy. BPR Bahteramas Konawe, however, is still above the POJK provisions. In 2020 there was another decline in CAR in PD. BPR Bahteramas Konawe was 2.41% to 63.14% and in 2021 the CAR decreased by 60.95% or fell again by 2.19% so it can be concluded that the CAR PD. BPR Bahteramas Konawe experienced quite promising performance from 2018 -2021 even though it experienced a decrease in capital adequacy but was still far from the POJK provisions.

LDR PD. BPR Bahteramas Konawe from 2018-2021 experienced a decline where in 2018 the LDR of BPR Bahteramas Konawe showed 70.49% which then decreased by 20.62% to 49.87% in 2019. In 2020 it experienced an increase of 11.2% to 61.07% and in 2021 there was a slight improvement of 3.32% to 64.39% so it can be concluded that LDR PD. BPR Bahteramas Konawe is below the average of 70%, this shows that the funds received are not optimal in credit distribution and could burden the BPR, especially third-party funds.

PD cost efficiency. BPR Bahteramas Konawe is shown by the BOPO ratio. This shows a decline from 2018-2021. In 2018 the BOPO percentage was 71.65%, which decreased by 4.57% to 67.37%, 2019 in and 2020 it also decreased by 1.29%, namely to 66.08%, likewise in 2021 continued to decrease by 1.12% to 64.96%, so it can be concluded that PD. BPR Bahteramas is very efficient in carrying out its operational activities

NPL PD. From 2018-2021, BPR Bahteramas Konawe experienced a decline, this reflects that bad loans experienced a decline in the level of bank health which became increasingly positive. In 2018 the NPL showed a percentage of 15.18%, decreasing by 3.77% in 2019 to 11.41%, then in 2020 the NPL showed a percentage decrease of 2.63 to 8.78%, and in 2021 it improved to 3.47%. So it can be concluded that in general, the NPL decreases in PD. BPR Bahteramas Konawe reflects that the bank's health level is improving.

Average PD profitability. BPR Bahteramas Konawe, which is shown by its Return On Assets from 2018-2021, experienced a decline, in 2018 ROA showed a percentage of 6.02%, down 0.1% to 5.92% in 2019 and in 2020 it fell again by 0.71% to 5.21%, and in 2021 it will increase by 1.82% to 7.03% so it can be concluded that PD's financial performance. In the last five years, BPR Bahteramas Konawe has experienced quite good performance because every year its profitability increases.

LITERATURE REVIEW

Financial Performance

According to Irhan Fahmi (2011:2), financial performance is an analysis carried out to see the extent to which a company has implemented financial implementation rules properly and correctly. Company performance is a description of the financial condition of a company which is analyzed using financial analysis tools so that it can be known about the good and bad financial condition of a company which reflects work performance in a certain period. This is very important so that resources are used optimally in facing

environmental changes.

Financial performance is the achievement of a company during a certain period regarding the company's financial management, so with achievements, a company can show how its performance is (Rengganis Oktalia et al, 2020: 120). According to Fahmi Irham (2014:2), Financial performance is an analysis to find out whether the company is implementing financial implementation rules properly and correctly. Meanwhile, according to Surya Sanjaya (2018:282), financial performance is the level of success achieved by a company so that it obtains good financial management results.

Return On Assets (ROA)

Return On Assets (ROA) is one of the indicators that has been determined by Bank Indonesia in assessing the condition of banking profitability in Indonesia. Return on Assets or in Indonesian called the rate of return on assets is a ratio used to measure the level of efficiency of a company in managing assets to generate profits within one year. The greater the ROA of a bank, the greater the level of profit achieved by the bank and the better the bank's position in terms of asset use. To measure the level of bank health, there is a small difference between theoretically based ROA calculations and the calculation method based on Bank Indonesia regulations. Theoretically, the profit calculated is profit after tax, whereas in the CAMEL calculation, the profit calculated is profit before tax (Dendawijaya, 2009:118).

Capital Adequacy Ratio (CAR)

Capital Adequacy Ratio is a ratio to measure capital adequacy that functions to accommodate the risk of loss that may be faced by the bank. CAR can be formulated as a ratio that shows the extent to which all bank assets that contain risk (credit, investments, and securities receivable from other banks) are financed from the bank's capital funds, in addition to obtaining funds from sources outside the bank such as loan funds (debt). and others. In other words, CAR is a bank performance ratio to measure the adequacy of capital a bank has to support assets that contain or produce risk, for example, loans provided. In addition, CAR can be used as an indicator of a bank's ability to cover a decrease in its assets as a result of bank losses caused by risky assets (Dendawijaya, 2009: 121).

Loan to Deposit Ratio (LDR)

Loan to Deposit Ratio (LDR) is the ratio between the entire amount of credit provided by the bank and the funds received by the bank. This ratio shows one of the assessments of bank liquidity. The LDR states the extent of the bank's ability to repay withdrawals made by depositors by relying on the credit provided as a source of liquidity. In other words, the extent to which providing credit to credit customers can offset the bank's obligation to immediately fulfill the requests of depositors who wish to withdraw the money that has been used by the bank to provide credit. The higher this ratio indicates the lower the liquidity capacity of the bank concerned. This is because the amount of funds required to finance credit is becoming increasingly large (Dendawijaya, 2009).

Ayem (2017) states that LDR is a measure of the bank's ability to repay withdrawals made by depositors by relying on the credit provided as a source of liquidity. The higher the LDR, the more risky the bank's liquidity conditions are, conversely, the lower the LDR indicates the bank's lack of effectiveness in distributing credit. If a bank's LDR ratio is at the standard set by Bank Indonesia, the return received by the bank will increase.

Operating Costs and Operating Income (BOPO)

BOPO is a comparison between operational costs and operational income. Operational Costs and Operational Income commonly abbreviated as BOPO is a ratio to describe banking efficiency in carrying out its activities. Operational costs include interest costs given to customers, while operational income is interest earned from customers. The smaller the BOPO value means the bank is more efficient in operating.

The ratio of operational costs and operating income is used to measure the level of efficiency and

ability of a bank to carry out its operational activities. Considering that the main activity of banks is in principle to act as an intermediary, namely collecting and distributing funds (for example public funds), the bank's operational costs and income are dominated by interest costs and interest yields. Theoretically, interest costs are determined based on the cost of loanable funds (COLF) calculation using a weighted average cost, while interest income is mostly obtained from interest income from credit services to the public, such as loan interest, credit provisions, appraisal fees, supervision fees, commitments fees, syndication fees, etc. (Dendawijaya, 2009:119 - 120).

Non-Performing Loans (NPL)

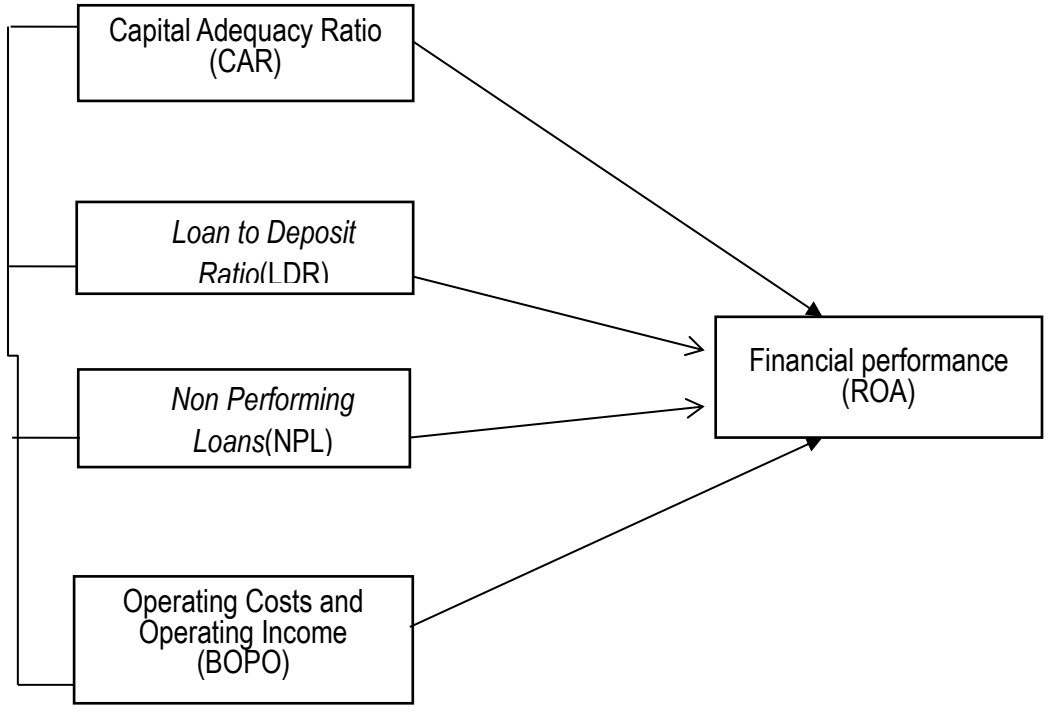
Non-Performing Loans (NPL) or what can be called non-performing loans, which is one of the keys to assessing bank performance. NPL is an indication of a problem within the bank which, if not addressed immediately, will have a serious impact on the bank's performance.

NPL is a non-performing loan, defined as a loan that is experiencing difficulty in repayment due to deliberate or external factors beyond the debtor's control. When NPLs are high, banks will face financial difficulties so the funds that can be used to channel credit are reduced. On the other hand, a low NPL shows that the bank customer in question has a good ability to pay debts so that the bank again has a certain amount of funds that can be distributed in the form of credit to other customers (Isnuhardi, 2017).

Conceptual Framework

According to Irhan Fahmi (2011:2), financial performance is an analysis carried out to see the extent to which a company has implemented financial implementation rules properly and correctly. Company performance is a description of the financial condition of a company which is analyzed using financial analysis tools so that it can be known about the good and bad financial condition of a company which reflects work performance in a certain period. This is very important so that resources are used optimally in facing environmental changes. Financial performance is a description of financial conditions in a certain period, both regarding aspects of collecting funds and distributing funds, which are usually measured by indicators of capital adequacy, liquidity, and profitability. In this research, financial performance is measured using profitability indicators, namely: Return on Assets (ROA). Meanwhile, the factors that influence financial performance include Capital Adequacy Ratio(CAR), Loan to Deposit Ratio (LDR), Non-Performing Loans (NPL), Operational Costs, and Operational Income (BOPO).

Figure 1. Conceptual Framework for Research



Research Hypothesis

Hypotheses or temporary conjectures developed by the author through the development of a theoretical basis and framework of thinking, the hypothesis of this research is:

1. H1: Capital Adequacy Ratio (CAR), Loan to Deposit Ratio (LDR), Non-Performing Loans (NPL), Operational Costs, and Operational Income (BOPO) simultaneously have a positive and significant effect on Financial Performance.
2. H2: Capital Adequacy Ratio (CAR) partially has a positive and significant effect on financial performance.
3. H3: Loan to Deposit Ratio (LDR) partially has a positive and significant effect on Financial Performance.
4. H4: Non-Performing Loans (NPL) partially have a negative and significant effect on Financial Performance.
5. H5: Operational Costs and Operational Income (BOPO) have a negative effect and are significant to Financial Performance.

RESEARCH METHODS

Types of Research

This research was conducted to determine the extent to which the Capital Adequacy Ratio (CAR), Loan to Deposit Ratio (LDR), Operational Costs and Operational Income, and Non-Performing Loans (NPL) influence financial performance or Return on Assets (ROA) in PD. BPR Bahteramas Konawe.

Data Types and Sources

The data used in this research is secondary data. Secondary data is data obtained by researchers indirectly through intermediary media or obtained and recorded by other parties. The data analyzed in this research is the financial data of PD.BPR Bahteramas Konawe. Meanwhile, the data source in this research comes from PD's annual report. BPR Bahteramas Konawe for the 2018-2022 period.

Data Analysis Techniques

Descriptive Statistical Test

Descriptive statistics provide a general overview or description of research variables, namely a description of data seen from the average value (mean), standard deviation, variance, maximum, minimum, sum, range, curtailment, and skewness (distribution differences) (Ghozali, 2016).

Multiple Linear Regression Test

Regression analysis is a statistical technique that is useful for examining and modeling relationships between variables. Sugiyono (2016) multiple linear regression analysis is a regression that has one dependent variable and two or more independent variables.

Multiple Linear Regression Analysis

This research will use multiple regression analysis tools to test the influence between the dependent variable and the six independent variables. The purpose of multiple regression analysis is to use the known values of the independent variables to predict the value of the dependent variable.

The multiple regression equation is formulated as follows:

$$\hat{Y} = \beta 0 + \beta 1X1 + \beta 2X2 + \ldots\ldots\ldots\ldots \beta nXn + e$$

Where :

β0 : Intercept coefficient/constant

β1,2,n : Regression coefficient

Y : Financial Performance (ROA)
X1 : CAR
X2 : LDR
X3 : NPLs
X4 : BOPO
b0 : Constant Numbers
b1 : Regression Coefficient
e : Error Factor / Error

Analysis Results

Description of the Capital Adequacy Ratio (CAR) Variable

Dendawijaya (2005:121) explains that CAR is a ratio that shows the extent to which all bank assets containing risk (credit, investments, securities, claims on other banks) are financed from the bank's capital funds in addition to obtaining funds from other sources. outside the bank, such as funds from the public, loans, etc. Based on Bank Indonesia regulations, a BPR declared as a healthy bank must have a CAR ratio above the standard ratio set at 8%.

As for the development of the Capital Adequacy Ratio (CAR) in PD. BPR Bahteramas Konawe can be seen in the following table:

Table 2. CAR Development PD. BPR Bahteramas Konawe 2018-2022

CAR (%)						Average (%)
Quarterly	2018	2019	2020	2021	2022	
I	94.84	106.05	98.68	90.39	81.49	94.29
II	90.70	96.15	92.59	89.27	77.21	89.18
III	96.86	102.68	92.29	85.59	78.77	91.24
IV	86.02	65.55	85.78	60.95	36.79	67.02
Average	92.10	92.61	92.33	81.55	68.57	85.43
Max	96.86	106.05	98.68	90.39	81.49	94.29
Min	86.02	65.55	85.78	60.95	36.79	67.02

Source: www.ojk.go.id 2023, processed

Based on Table 2, the research period from 2018-2022, shows the average CAR ratio at BPR Bahtermas PD. BPR Bahteramas Konawe is 85.43%, which means that in general PD. BPR Bahteramas Konawe can provide an average minimum capital of 85.43% of risk-weighted assets (RWA). The lowest average CAR percentage is owned by PD. BPR Bahteramas Konawe is equal to 68.57% in 2022 and the highest occurred in 2020, namely 92.33%. The higher the CAR, the better the bank's ability to bear the risk of any risky credit/productive assets. If the CAR value is high, the bank can finance operational activities and make a large contribution to profitability.

Description of the Loan to Deposit Ratio (LDR) Variable

According to Dendawijaya (2005), the Loan to Deposit Ratio (LDR) states the extent of the bank's ability to repay fund withdrawals made by depositors by relying on the credit provided as a source of liquidity. Based on Bank Indonesia regulations, a BPR declared as a healthy bank must have an LDR ratio below the

specified standard ratio, namely <94.75%.

As for the development of the Loan to Deposit Ratio (LDR) in PD. BPR Bahteramas Konawe can be seen in the following table:

Table 3. Development of LDRPD. BPR Bahteramas Konawe 2018-2022

LDR (%)						Average (%)
Quarterly	2018	2019	2020	2021	2022	
I	78.43	75.72	79.39	85.07	81.83	80.09
II	87.24	67.13	84.08	80.04	77.61	79.22
III	72.67	81.97	81.30	78.70	84.90	79.91
IV	70.49	49.87	61.37	64.39	57.62	60.75
Average	77.21	68.67	76.54	77.05	75.49	74.99
Max	87.24	81.97	84.08	85.07	84.90	80.09
Min	70.49	49.87	61.37	64.39	57.62	60.75

Source: www.ojk.go.id 2023, processed

Based on Table 3, the research period from 2018-2022, shows that the average LDR ratio at BPR Bahtermas is 74.99% which means that in general the average PD. BPR Bahteramas Konawe has 74.99% of the credit that can be used to pay depositors if at any time they withdraw their funds from PD. BPR Bahteramas Konawe. The lowest average LDR percentage occurred in 2019, namely: 68.67% and the highest occurred in 2018, namely 77.21%. So it can be concluded that the higher the LDR ratio indicates the lower the liquidity capacity of the bank concerned. This is because the amount of funds required to finance credit becomes increasingly large.

Description of the Efficiency Ratio Variable (BOPO)

According to Dendawijaya (2005), the operational cost ratio is used to measure the level of efficiency and ability of a bank to carry out its operational activities. The Operational Costs to Operating Income (BOPO) ratio, often called the efficiency ratio, is used to measure bank management's ability to control operational costs to operational income. Based on Bank Indonesia regulations, a BPR declared as a healthy bank must have a BOPO below the specified standard ratio, namely below 93.52%.

As for the development of BOPO in PD. BPR Bahteramas Konawedi Southeast Sulawesi Province can be seen in the following table:

Table 4. Development of BOPOPD. BPR Bahteramas Konawe 2018-2022

BOPO (%)						Average (%)
Quarterly	2018	2019	2020	2021	2022	
I	74.95	87.49	69.87	68.72	55.78	67.33
II	79.11	70.42	72.53	73.16	63.15	71.67
III	76.63	55.10	72.96	71.56	64.71	68.19
IV	71.56	67.37	68.56	64.96	71.42	68.77
Average	75.56	64.30	70.98	69.60	63.77	68.99
Max	79.11	87.49	72.96	73.16	71.42	71.67
Min	71.56	55.10	68.56	64.96	55.78	67.33

Source: www.ojk.go.id 2023, processed

Based on table 4, during the research period from 2018-2022, it shows that the average BOPO ratio in PD. BPR Bahtermas is 68.99%, which means that in general PD. BPR Bahteramas Konawe can control its operational costs by 68.99% of its operational income. The lowest average BOPO percentage occurred in 2022, namely 63.77% and the highest occurred in 2018, namely 75.56%. So it can be concluded that the lower the BOPO ratio, the lower the PD's operational expenses. BPR Bahteramas Konawe.

Description of Non-Performing Loan (NPL) Variables

Rosmilia (2009) states that non-performing loans are loans whose collectability is under special mention, substandard, doubtful, and bad credit. Based on Bank Indonesia regulations, a BPR declared as a healthy bank must have an NPL ratio below the established standard ratio, namely <5%.

As for the development of Non-Performing Loans (NPL) in PD. BPR Bahteramas Konawe can be seen in the following table:

Table 5. Development of NPLPD. BPR Bahteramas Konawe 2018-2022

NPLs (%)						Average (%)
Quarterly	2018	2019	2020	2021	2022	
I	8.2	8.76	13.09	8.04	1.02	7.82
II	9.44	5.97	12.94	5.28	1.99	7.12
III	10.21	5.29	10,12	4.79	1.44	6.37
IV	7.68	6.26	5.96	1.60	0.99	4.50
Average	8.88	6.57	10.53	4.93	1.36	6.45
Max	10.21	8.76	13.09	8.04	1.99	7.82
Min	7.68	5.29	5.96	1.60	0.99	4.50

Source:www.ojk.go.id 2023, processed

Based on table 5, during the research period from 2018-2022, it shows that the average NPL ratio in PD. BPR Bahtermas is 6.45%, which means that in general, the average of PD is bad credit. BPR Bahteramas Konawe is 6.45% of the total credit given to PD debtors. BPR Bahteramas Konawe. The lowest average NPL percentage occurred in 2022, namely 1.36% and the highest occurred in 2020, namely 10.53%. So it can be concluded that the higher the Non-Performing Loan ratio, the lower the bank's liquidity level towards third-party funds (DPK). This is because most of the funds distributed by banks in the form of credit are deposits from third-party funds (DPK).

Description of Return On Assets (ROA) Variable

Return On Assets (ROA) according to Kasmir (2012:201) is a ratio that shows the results (return) on the number of assets used in the company. In addition, ROA provides a better measure of a company's profitability because it shows management's effectiveness in using assets to generate income. Based on Bank Indonesia regulations, a BPR declared as a healthy bank must have a ROA above the specified standard ratio, namely above 1.215%.

As for the development of ROA in PD. BPR Bahteramas can be seen in the following table:

Table 6. Development of ROA PD. BPR Bahteramas Konawe 2018-2022

ROA (%)						Average (%)
Quarterly	**2018**	**2019**	**2020**	**2021**	**2022**	
I	3.54	5.24	5.76	5.86	8.77	5.83
II	3.11	3.90	5,10	5.17	7.22	4.90
III	3.55	8.18	4.78	6.06	6.90	5.89
IV	6.02	5.92	5.79	7.03	5.96	6.14
Average	**4.06**	**5.81**	**5.36**	**6.03**	**7.21**	**5.69**
Max	6.02	8.18	5.79	7.03	8.77	6.14
Min	3.11	5.24	4.78	5.17	5.96	5.83

Source:www.ojk.go.id 2023, processed

Based on Table 6, during the 2018-2022 research period, it was found that the average ROA ratio in PD. BPR Bahteramas Konawe in Southeast Sulawesi Province was 5.69%, which means that PD. BPR Bahteramas Konawe can generate profits of 5.69% of the total assets they use or own. During the 2018-2022 research period, it was found that the lowest ROA ratio occurred in 2018 with a value of 4.06% and the highest was 7.21% in 2022. The higher the ROA obtained by PD. BPR Bahteramas Konawe shows that the higher the profitability of the bank.

On average, during the 2018-2022 period, there was an increase in ROA every year, this was because PD experienced an increase in profits every year. BPR Bahteramas Konawe. This increase in income has a positive sign because it can be considered that PD's performance. BPR Bahteramas Konawe is running well because it can increase its profits every year, increasing ROA.

Multiple Linear Regression Analysis

Based on the partial SPSS output, the influence of the four independent variables, namely CAR, LDR, BOPO, and NPL on ROA is shown in Table 7 as follows:

Table 7. Results of Multiple Regression Analysis

Coefficientsa					
	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	14,789	3,049		4,851	,000
CAR	,001	,021	,015	,064	,950
LDR	,009	,027	,063	,343	,736
NPLs	-,116	,088	-,292	-1,314	,209
BOPO	-,131	,036	-,643	-3,656	,002
a. Dependent Variable: ROA					

Source: SPSS 25 Processed Data

Based on Table 7 above, a multiple linear regression equation can be prepared as follows:

ROA =14,789+0.001CAR+0,009LDR - 0,116NPL – 0,131BOPO

Based on the equation above it can be explained that:

1. The constant value is 8.864. This shows that if the independent variables are assumed to be constant, the dependent variable (ROA) will increase by 8.864%.
2. The regression coefficient (b) beta (X1) CAR of 0.001 has a positive sign. This shows that every 1% increase in CAR will be followed by an increase in ROA of 0.001%.
3. The regression coefficient (b) beta (X2) LDR of 0.009 has a positive sign. This shows that every 1% increase in LDR will be followed by an increase in ROA of 0.009%.
4. The regression coefficient (b) beta (X3) NPL of -0.116 has a negative sign. This shows that every 1% increase in NPL will be followed by a decrease in ROA of 0.116%.
5. The regression coefficient (b) beta (X4) BOPO of -0.131 has a negative sign. This shows that every 1% increase in BOPO will be followed by a decrease in ROA of 0.131%.

Correlation Coefficient (R) and Determination Coefficient (R^2)

The results of the analysis of the correlation coefficient (R) and coefficient of determination (R^2) can be seen in Table 8 below:

Table 8. Correlation Coefficient (R) and Determination Coefficient (R^2) Values

Model Summary b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,831a	,690	,608	,93578

a. Predictors: (Constant), BOPO, LDR, NPL, CAR
b. Dependent Variable: ROA
Source: SPSS 25 Processed Data

1. Correlation Coefficient

Based on the calculation results, the correlation coefficient value obtained was 0.831. To determine the close relationship between CAR, LDR, NPL, and BOPO on ROA, the following table 9 is used:

Table 9. Guidelines for Providing Interpretation of Correlation Coefficients

Coefficient Interval	Relationship Level
0.00 – 0.199	Very low
0.20 – 0.399	Low
0.40 – 0.599	Currently
0.60 – 0.799	Strong
0.80 – 1,000	Very strong

Source: Sugiyono, 2011:184

Based on the previous Table 9 above, a correlation coefficient value of 0.831 was found. This value is included in the very strong category. So it can be concluded that there is a very strong relationship between the CAR, LDR, BOPO, and NPL variables on ROA.

2. Coefficient of Determination (R2)

Based on the calculation results, the coefficient of determination value obtained was 0.690. This shows that CAR, LDR, BOPO, and NPL influence the ROA variable by 69%. The remaining 31% is explained by other factors not included in this research model.

Hypothesis test

In hypothesis testing, it is used to test whether the independent variables (CAR, NPL, BOPO, and LDR) influence the dependent variable (ROA). The explanation in this research is as follows:

Simultaneous Test (F-Test)

The F statistical test shows whether all the independent variables included in the model have a joint influence on the dependent variable. The results of the F Test calculation can be seen in Table 5.11. following:

Table 10. F-test
ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29,279	4	7,320	8,359	,001b
	Residual	13,135	15	,876		
	Total	42,414	19			

a. Dependent Variable: ROA
b. Predictors: (Constant), BOPO, LDR, NPL, CAR

Source: SPSS 25 Processed Data

From the results of the regression analysis in Table 10, it can be seen that together the independent variables have a significant influence on the dependent variable. This can be proven from the calculated F significance value of 0.001. Because the probability is much smaller than 0.05 or 5%, the regression model can be used to predict ROA or it can be said that CAR, LDR, BOPO, and NPL together affect ROA. So it can be concluded that Hypothesis I (H1) is accepted.

Partial Test (t-Test)

This test is carried out to test whether each independent variable has a significant influence on the dependent variable. The t-test shows how much influence an explanatory/independent variable individually has in explaining variations in the dependent variable. The SPSS UJi-t output display can be seen in Table 11.

Table 11. t-test
Coefficientsa

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1(Constant)	14,789	3,049		4,851	,000
CAR	,001	,021	,015	,064	,950
LDR	,009	,027	,063	,343	,736
NPLs	-,116	,088	-,292	-1,314	,209
BOPO	-,131	,036	-,643	-3,656	,002

a. Dependent Variable: ROA

Source: SPSS 25 Processed Data

Based on the data above, it can be explained that:

1. **Hypothesis Testing the Effect of CAR on ROA**

The second hypothesis proposed states that CAR has a positive and significant effect on ROA. From the research results, the regression transformation coefficient for the CAR variable is 0.001 with a significance value of 0.950, where this value is significant because it is greater than 0.05%, so this states that the influence of CAR on ROA is not significant. Thus, the second hypothesis which states that CAR has a positive and

significant effect on ROA is rejected.

2. Hypothesis Testing the Effect of LDR on ROA

The third hypothesis proposed states that LDR has a positive and insignificant effect on ROA. From the research results, the regression transformation coefficient value for the LDR variable was 0.009 with a significance value of 0.736 which was greater than 0.05. Thus the hypothesis which states that LDR has a positive and significant effect on ROA is rejected.

3. Hypothesis Testing the Effect of NPL on ROA

The fourth hypothesis proposed states that NPL has a negative and significant effect on ROA. From the research results, a significance value of 0.209 was obtained, while the regression coefficient was -0.116. Judging from the level of significance, it shows that the value is greater than 0.05, namely 0.209. Thus the hypothesis which states that NPL has a significant negative effect on ROA is rejected.

4. Hypothesis Testing the Effect of BOPO on ROA

The fifth hypothesis proposed states that BOPO has a negative and significant effect on ROA. From the research results, the regression transformation coefficient value for the BOPO variable is -0.131 with a significance value of 0.002 which is greater than 0.05. Thus the hypothesis which states that LDR has a negative and significant effect on ROA is accepted.

DISCUSSION

The Effect of CAR on ROA

The influence of CAR on ROA can be seen from the regression coefficient, which is 0.001. A positive value indicates a positive influence between CAR and ROA. This shows that every 1 unit increase in CAR will increase ROA of 0.001 unit. Meanwhile, the influence of CAR can be seen at a significance value of 0.950, which is greater than the probability value α = 0.05, so that partially CAR has a positive and insignificant effect on ROA.

The research results show that the greater the CAR, the ROA obtained by the bank will not have a high value. This means that CAR does not significantly influence ROA because CAR measures the adequacy of BPR capital to accommodate losses experienced by BPR. CAR is used to cover potential losses experienced by the BPR by using the capital owned by the BPR. Meanwhile, ROA compares BPR assets with the profits earned.

According to Kasmir (2016:46), CAR is a comparison of the ratio between the ratio of capital to risk-weighted assets and under government regulations. Based on the definition according to experts, it can be concluded that CAR is a bank performance ratio to measure the adequacy of capital owned by the bank to support assets that contain or generate risk, such as credit provided to customers. Apart from that, CAR is the minimum capital that is sufficient to guarantee the interests of third parties. CAR is a ratio that calculates the amount of capital owned by the bank against RWA/Risk Weighted Assets (Taswan, 2015: 166).

The results of this research are also in line with research conducted by Dede Hartanto Patarowo, Risal Rinofah, Pristin Prima Sari (2022), Mutawali and Vidya Amalia Rismanty (2022), Hamdani, Nining Wahyuni, Ali Amin, and Sulfitra (2018), Elvira Azwan and Amir Hasan (2016), Nilawati, Ibnu Hajar and Wahyuniati Hamid (2019) found that the Capital Adequacy Ratio (CAR) does not affect the financial performance of Return On Assets (ROA). However, the results of this research are also not in line with research conducted by Mohammad Sofyan (2019) and Afriyeni and Jhon Fernos (2018) which found that the CAR ratio has a positive and significant effect on company profitability (ROA).

The Influence of LDR on ROA

The influence of LDR on ROA can be seen from the regression coefficient, which is 0.009. A positive value indicates a positive influence between LDR on ROA. This shows that every 1 unit increase in LDR will increase ROA of 0.009 units. Meanwhile, the influence of LDR can be seen from the significance value of 0.736, which is much greater than the probability value α = 0.05, so that partially LDR has a positive and insignificant effect on ROA.

The research results show that the greater the LDR, the greater the ROA obtained by the bank, but it is not significant. This shows that the expansion of credit distribution can encourage an increase in bank profitability. This situation is very common in banks that adhere to the doctrine of anticipated income, where there is a risk in lending which often experiences low quality and cannot be predicted. So credit distribution carried out by banks will be very vulnerable to default by debtors. Especially for BPRs that are examined, Second Party Funds and Third Party Funds collected are obtained at relatively low prices or interest.

The results of this research are in line with research conducted by Mutawali and Vidya Amalia Rismanty (2022), I Kadek Sardika Putra and Henny Triyana Hasibuan, (2021) Hamdani, Nining Wahyuni, Ali Amin, and Sulfitra (2018), Elvira Azwan and Amir Hasan (2016), Ilawati, Ibnu Hajar and Wahyuniati Hamid (2019) who found that LDR did not have a significant effect on profitability (ROA). There is research that is not in line with the results of this research, namely research conducted by Mohammad Sofyan (2019), Afriyeni and Jhon Fernos (2018) who found that LDR had a significant effect on profitability (ROA).

The Effect of NPL on ROA

The influence of NPL on ROA can be seen from the regression coefficient, which is -0.116. A negative value indicates a negative influence between NPL and ROA. This shows that every 1 unit increase in NPL will result in a decrease in ROA of -0.116 units. Meanwhile, the influence of NPL can be seen from the significance value of 0.209, which is much greater than the probability value α = 0.05, so that partially NPL has a negative and insignificant effect on ROA.

The research results show that the higher the NPL value of PD. BPR Bahteramas Konawe then results in ROA PD. BPR Bahteramas Konawe experienced a decline, although not significantly. This can happen because most of the funds distributed still rely on the capital provided by shareholders through capital participation.

Mazreku et al. (2018) stated that a high level of non-performing loans can cause banks to not have enough funds to invest. This is exacerbated by the bank's obligation to pay interest to depositors which can cause the bank to experience permanent losses.

These findings support research conducted by I Kadek Sardika Putra and Henny Triyana Hasibuan (2021), Mohammad Sofyan (2019) who found that NPLs had a negative and insignificant influence on BPR performance. The research that is not in line with the results of this research is research conducted by Dede Hartanto Patarowo, Risal Rinofah, Pristin Prima Sari (2022), Mutawali and Vidya Amalia Rismanty (2022), Afriyeni and Jhon Fernos (2018), Elvira Azwan and Amir Hasan (2016), Nilawati, Ibnu Hajar and Wahyuniati Hamid (2019).

The Effect of BOPO on ROA

The effect of BOPO on ROA can be seen from the regression coefficient, which is -0.131. A negative value indicates a negative influence between BOPO and ROA. This shows that every 1 unit increase in BOPO will result in a decrease in ROA of 0.131 units. Meanwhile, the effect of BOPO can be seen from the significance value of 0.002, which is smaller than the probability value of α = 0.05, so BOPO partially has a negative and significant effect on ROA.

The ratio of operational costs and operating income is used to measure the level of efficiency and ability of a bank to carry out its operational activities. Considering that the main activity of banks is in principle to act as an intermediary, namely collecting and distributing funds (for example public funds), the bank's operational costs and income are dominated by interest costs and interest yields. Theoretically, interest costs are determined based on the cost of loanable funds (COLF) calculation using a weighted average cost, while interest income is mostly obtained from interest income from credit services to the public, such as loan interest, credit provisions, appraisal fees, supervision fees, commitments. fees, syndication fees, etc. (Dendawijaya, 2009:119 - 120).

The results of this research are in line with research conducted by Dede Hartanto Patarowo, Risal Rinofah, Pristin Prima Sari (2022), Mutawali and Vidya Amalia Rismanty (2022), Mohammad Sofyan (2019), Afriyeni and Jhon Fernos (2018), Hamdani, Nining Wahyuni, Ali Amin, and Sulfitra (2018), Nilawati, Ibnu Hajar and Wahyuniati Hamid (2019). which shows that BOPO has a significant effect on ROA. The research results that are not in line with this research are research conducted by I Kadek Sardika Putra and Henny Triyana Hasibuan (2021), Elvira Azwan and Amir Hasan (2016) who found that BOPO had a negative and insignificant effect on profitability (ROA).

Research Limitations

1. This research was limited to PD. BPR Bahteramas Konawe only so the results of this research cannot be generalized because the results will be different if research is carried out on different objects.
2. This research only uses quarterly research data for a 5 year observation period.

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of the research and discussion, several conclusions can be put forward as follows:

1. CAR, LDR, NPL, and BOPO simultaneously have a positive and significant effect on PD's ROA. BPR Bahteramas Konawe This means that the CAR, LDR, NPL, and BOPO PD values are getting better. BPR Bahteramas Konawe which complies with the BPR Health standards determined by OJK regulations will affect the bank's profitability.
2. CAR has a positive and insignificant effect on ROA PD. BPR Bahteramas Konawe. This shows that the BPR CAR obtained is not able to increase ROA so increasing CAR will not increase PD ROA. BPR Bahteramas Konawe. The higher the CAR, the higher the bank's capital ability to guard against possible risks of losses in PD business activities. BPR Bahteramas Konawe.
3. LDR has a negative and insignificant effect on ROA. The research results show that the greater the LDR, the ROA obtained by PD. BPR Bahteramas Konawe will get smaller but not significantly. This shows that the expansion of credit distribution does not necessarily lead to an increase in bank profitability.
4. NPL has a negative and insignificant effect on ROA. The research results show that the higher the company's NPL value, the more ROA PD will result. BPR Bahteramas Konawe experienced a decline, although not significantly. This can happen because most of the funds distributed still rely on the capital provided by shareholders through capital participation.
5. BOPO has a negative and significant effect on ROA. This is due to the level of PD efficiency. BPR Bahteramas Konawe in carrying out its operations influences the level of income or "earnings" generated by PD. BPR Bahteramas Konawe. If operational activities are carried out efficiently (in this case the BOPO ratio is low) then the ROA generated by the bank will increase.

Suggestion

Based on these conclusions, it is recommended that several things be implemented as follows:

1. The need for PD administrators. BPR Bahteramas Konawe pays more attention to the bank's health level so that it can improve company performance.
2. Management continues to increase cheaper funding sources (DPK) so that they can be channeled through productive/high-quality credit by prioritizing the principle of prudence, this can reduce NPLs and increase the LDR ratio, these efforts are expected to increase PD's ROA. BPR Bahteramas Konawe.
3. It is hoped that future research can test and develop this research again by adding other variables that influence company profitability, such as the Cash Ratio Net Interest Margin, PPAP, and KAP variables. Apart from that, it is necessary to retest several negative and insignificant positive findings in this research.

References

[1] Afriyeni dan Fernos, Jhon. 2018. Analisis Faktor-Faktor Penentu Kinerja Profitabilitas Bank Perkreditan Rakyat (BPR) Konvensional Di Sumatera Barat. Jurnal Benefita 3(3) Oktober 2018 (325-335)

[2] Azwan, Elvira dan Hasan, Amir. 2016. Analisis Faktor-Faktor Yang Mempengaruhi Kinerja Profitabilitas Bank Perkreditan Rakyat Konvensional Di Provinsi Riau Dengan Efisiensi Sebagai Faktor Pemoderasi. Jurnal Tepak Manajemen Bisnis Vol. VIII. 2 Mei 2016
[3] Dendawijaya, Lukman. 2017. Manajemen Perbankan. Jakarta; Ghalia Indonesia.
[4] Dendawijaya, Lukman. 2009. *Manajemen Perbankan* . Jakarta: Ghalia Indonesia.
[5] Dewi, L. E., Herawati, N. T., & Sulindawati, L. E. (2015). Analisis Pengaruh NIM, BOPO, LDR, dan NPL Terhadap Profitabilitas Bank Umum Swasta Nasional. *Jurnal Akuntansi, 3*(1).
[6] Fahmi, Irham. 2018. Pengantar Manajemen Keuangan. Bandung: Alfabeta.
[7] Fahmi, Irham. 2014. Analisis Kinerja Keuangan. Bandung: Alfabeta.
[8] Fahmi, Irham. 2011. Analisis Laporan Akuntansi. Bandung: ALFABETA.
[9] Ghozali, I. 2016. Aplikasi Analisis Multivariarte Dengan Program IBM SPSS 23. Semarang: Badan Penerbit Universitas Diponegoro.
[10] Hamdani., Wahyuni, Nining., Amin, Ali dan Sulfitra. 2018. Analisis Faktor-Faktor yang mempengaruhi Kinerja Keuangan Bank Umum Syariah yang terdaftar di Bursa Efek Indonesia (BEI) (Periode 2014-2016). Jurnal Ekonomi dan Manajemen Teknologi, 2(2), 2018, 55-109
[11] Hamidi, M. 2017. Studi Komparasi KInerja Bank Perkreditan Rakyat (BPR) Syariah dan Konvensional di Sumatera Barat. *Jurnal Manajemen*, *1*(1), 44-70.
[12] Herman, U., & Widayati, R. (2019). Penyelesaian Kredit Bermasalah Pada PT. Bank Perkreditan Rakyat (BPR) Nagari Kasang. OSF Preprints.
[13] Ikhwal, N. 2016. Analisis ROA dan ROE Terhadap Profitabilitas Bank di Bursa Efek Indonesia. *Jurnal Lembaga Keuangan dan Perbankan, 1*(2), 213-227.
[14] Isnuhardi, Kartika, I., & Hs.Umrie, H. (2013). Pengaruh Loan to Deposit Ratio (LDR), Non Performing Loan (NPL) dan Net Interest Margin (NIM) Terhadap Pertumbuhan Pinjaman Usaha Kecil dan Menengah Bank Pembangunan Daerah (BPD). *Jurnal Manajemen dan Bisnis, 13*(1).
[15] Kasmir, D. 2014. Dasar-Dasar Perbankan. Depok: PT. Grafindo.
[16] Lalujan, D. N., Pelleng, F. A., & Tumbel, T. M. (2016). Analysis Of Bank Indonesia Rate Of Return On Asset At The PT. Bank Mandiri Manado. *Jurnal Administrasi Bisnis, 4*(3).
[17] Latumaerissa, Julius R. 2017. Bank dan Lembaga Keuangan Lain Teori dan Kebijakan. Jakarta: Mitra Wacana Media.
[18] Margaretha, Farah., dan Zai, Pingkan M., 2013. "Faktor-Faktor Yang Mempengaruhi Kinerja Keuangan Perbankan Indonesia". Jurnal Bisnis dan Akuntansi. Vol. 15, No. 2.
[19] Mazreku, I., Morina, F., Misiri, V., Spiteri, J. V., & Grima, S. (2018). Determinants of the Level of Non-Performing Loans in Commercial Banks of Transition Countries. *European Research Studies Journal, XXI*(3), 3-13.
[20] Merkusiwati, Aryani. 2007. Evaluasi Pengaruh CAMEL terhadap Kinerja Perusahaan. Buletin Studi Ekonomi Volume 12 Nomor 1. Denpasar.
[21] Mewengkang, Yves Regina. 2013. Analisis Perbandingan Kinerja Keuangan Bank Pemerintah Dan Bank Umum Swasta Nasional Yang Tercatat Di Bei. Jurnal EMBA. Vol.1 No.4 Desember 2013, Hal. 344-354.

[22] Muljono, T. P. 1996. *Bank Budgeting Profit Planning & Control.* Yogyakarta: BPFE.

[23] Mutawali dan Rismanty, Vidya Amalia. 2022. Analisis faktor-faktor yang mempengaruhi Kinerja Keuangan pada Bank Negara Indonesia Syariah, Bank Syariah Mandiri dan Bank Rakyat Indonesia Syariah. *Aufklarung: Jurnal Pendidikan, Sosial dan Humaniora*. Vol. 2 No. 2, Juni 2022

[24] Otoritas Jasa Keuangan, 2018 www.ojk.go.id/id/

[25] Oktalia, Rengganis *et al*. 2020. Analisis Kinerja Keuangan Pada PT Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung. *Jurnal Mediasi* 2(2): 110-135.

[26] Patarowo, Dede Hartanto., Rinofah, Risal dan Sari, Pristin Prima.2022. Analisis Faktor – Faktor Yang Mempengaruhi Kinerja Keuangan BPD Kalimantan Terhadap Perbankan Periode 2011 – 2020. Jurnal Fidusia Volume 5 No 1 - April 2022

[27] Putra, I Kadek Sardika dan Hasibuan, Henny Triyana. 2021. Faktor - Faktor yang Mempengaruhi Kinerja Keuangan Bank Perkreditan Rakyat. E-Jurnal Akuntansi. Vol 31 No 9 September 2021 HLMN. 2229-2239.

[28] Rumondor, Risca Fransiska. 2013. Perbandingan Kinerja Keuangan Bank Mandiri, Bri Dan Bni Yang Terdaftar Di Bursa Efek Indonesia. Jurnal EMBA Vol.1 No.3 September 2013, Hal. 782-792

[29] Sari, T. M., Syam, D., & Ulum , I. 2012. Pengaruh Non Performing Loan Sebagai Dampak Krisis Keuangan Global Terhadap Profitabilitas Perusahaan Perbankan. *Jurnal Akuntasi & Investasi, 13*(2), 83-98.

[30] Sanjaya, Surya. 2018. Analisis Rasio Profitabilitas Dalam Menilai Kinerja Keuangan Pada PT Taspen (Persero) Medan. Kitabah. Desember 2018, Vol. 2, No. 2, Hal. 279-293.

[31] Sofyan, Mohammad. 2019. Faktor-Faktor Yang Mempengaruhi Kinerja Keuangan BPR Syariah Di Indonesia. Jurnal Sains Manajemen. Volume 5 No. 2 Desember 2019

[32] Taswan, C. 2010. *Manajemen Perbankan Konsep Teknik dan Analisis.* Yogyakarta: STIM YKPN.

[33] Undang-Undang RI No Tahun 1998 Tentang Perbankan

[34] Undang-Undang No. 10 Tahun 1998 Tentang Bank Perkreditan Rakyat