THE INFLUENCE OF OPERATIONAL INCOME (BOPO), NON PERFORMING LOAN (NPL) AND DEBT TO EQUITY RATIO (DER) ON RETURN ON ASSETS (ROA) IN PT BANK SUMUT

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ABSTRACT

Return On Assets (ROA) is one of the profitability ratios. In financial statement analysis, this ratio is most often highlighted, because it is able to show the success of the company to make a profit. ROA is able to measure the company's ability to generate profits in the past to be used as an illustration for the future.

The purpose of this study was to determine the Effect of Operating Income Operating Expenses (BOPO), Non Performing Loans (NPL) and Debt To Equity Ratio (DER) Against Return On Assets (ROA) at PT Bank Sumut.

The approach used in this study is an associative approach. Data collection techniques in this study are using the documentation method, in the form of financial statements in the form of balance sheets and income statements at PT Bank Sumut. Data analysis techniques using multiple linear regression, classical assumption test t test (partially), f test (simultaneous) and coefficient of determination. Processing data in this study using the SPSS Software Program (Statistical Package for the Social Scenario) 18.00 for Windows. The results of this study indicate that partially BOPO has a negative and significant effect on ROA. NPL partially does not affect ROA. Partially DER does not affect ROA. Then Simultaneously BOPO, NPL and DER have a significant effect on ROA in North Sumatra Bank companies.

Keywords: BOPO, NPL, DER, ROA

A. INTRODUCTION

The bank is an institution that acts as a financial intermediary between parties who have funds and those who need funds as well as institutions that facilitate the flow of payment traffic. In addition, banks are also industries that rely on public trust in their business activities so that the level of health of banks should be maintained. Banking has a very vital role in achieving national goals related to improving and equitable living standards of the community and supporting the running of the economy (Dewi et al., 2015).

According to Republic of Indonesia Law Number 10 of 1998 concerning banking, banks are business entities that collect funds from the public in the form of deposits and distribute them to the public in the form of loans and / or other forms in order to improve the lives of many people. As a service company, the banking business includes three activities, namely raising funds, channeling funds, and providing other bank services. Activities to collect and channel funds are the main activities, while other activities are supporting services that function to support the smooth running of the main activities (Pinasti et al, 2018).
ROA focuses more on the company's ability to earn revenue in the overall operations of the company, so that it earns income in the overall operations of the company, so that the greater the ROA will be better, because it shows a greater return.

The operational cost ratio (BOPO) is used to measure the level of efficiency and capability of the bank in carrying out its operations. The operational cost of operating income is the ratio used to measure the level of efficiency and capability of the bank in conducting its operations. According to Hasibuan (2011 p. 101) "Operational costs against operating income (BOPO) represent the ratio or ratio of operating costs in the last 12 months to operating income in the same period".

Non Performing Loans (NPL) are financial ratios that show credit risk faced by banks due to lending and investment of bank funds in different portfolios, this credit risk / default risk can occur due to failure or inability of customers to repay loans received from banks along with the interest is in accordance with the scheduled time period. According to Ismail (2010 p. 224) "Non Performing Loans (NPL) are loans that are in arrears exceeding 90 days consisting of substandard, doubtful, and non-performing loans."

B. METHODS

This research is associative in nature which aims to determine the influence of two or more variables. This study uses secondary data that is empirical. Where data is obtained from the official site of PT Bank Sumut. The type of data used in this study is quantitative data. Data analysis techniques with multiple linear regression, using SPSS version 18.

C. RESEARCH FINDING

The results of this study indicate that partially BOPO has a negative and significant effect on ROA. NPL partially does not affect ROA. Partially DER does not affect ROA. Then Simultaneously BOPO, NPL and DER have a significant effect on ROA in North Sumatra Bank companies.

D. DISCUSSION

1. The influence of BOPO against the Return On Assets

From the results of the BOPO statistical test (X1) it has a negative and significant effect on ROA (Y) in the Bank of North Sumatra 2008-2017. Because the results of tcount = -4.076 and t table = -2.223 with a significant value of 0.007. The conclusion is tcount (4.076)> ttable (2.223) with a significant value of 0.007 <0.05 then H0 is rejected and Ha is accepted which means that partially BOPO variable (X1) has a negative and significant effect on ROA (Y) in North Sumatra Bank companies.

According to Harmono (2018, p. 120) BOPO is a ratio that shows the magnitude of the ratio between the burden or operating costs to the operating income of a company for a certain period. The greater the BOPO the less efficiency will result in a decrease in profits. The results of research conducted by Wahyuni (2017) show that BOPO has a negative and significant effect on ROA.

The results of other studies suggest that BOPO has a negative and significant effect on ROA (Peling, 2018., Yogianta, 2013., Hartini, 2016). And this research is not in line with research that states that BOPO has no effect on ROA (Sabir, 2012).
2. The Influence of Non Performing Loans against the Return On Assets

From the results of the NPL statistical test \((X_2)\) it does not affect ROA \((Y)\) in the Bank of North Sumatra 2008-2017. Because the results of \(t_{count} = -1.466\) and \(t_{table} = -2.223\) with a significant value of 0.193. The conclusion is \(t_{count} \leq t_{table}\) with a significant value of 0.193 < 0.05, \(H_0\) is rejected and \(H_a\) is accepted which means that partially variable NPL \((X_2)\) has no effect on ROA \((Y)\) in North Sumatra Bank companies.

According to Hasibuan (2011) who said that the higher the ratio, the worse the quality of bank credit that causes the number of problem loans to increase and cause losses, on the contrary if the lower NPL, the profit or profitability of the bank will increase. The results of other studies which state that Non Performing Loans (NPL) have a negative and significant effect on ROA (Julita, 2016., Maria, 2017., Masril, 2018., Putrianingsih, 2016). And this research is not in line with research that states that Non Performing Loans (NPL) have no effect on ROA (Harun, 2016., Masril., 2018).

3. The Influence of DER against the Return On Assets

From the results of the DER statistical test \((X_2)\) it does not affect ROA \((Y)\) in the Bank of North Sumatra 2008-2017. Due to the results of \(t_{count} = -0.449\) and \(t_{table} = -2.223\) with a significant value of 0.636. The conclusion is \(t_{count} \leq t_{table}\) with a significant value of 0.636 < 0.05 then \(H_0\) is rejected and \(H_a\) is accepted which means that partially the DER variable \((X_2)\) has no effect on ROA \((Y)\) in North Sumatra Bank companies.

According to Kasimir (2015 p. 157), states that DER is a ratio used to assess debt with equity. This ratio compares all debt, (including current debt and long-term debt) with equity. This ratio is useful for knowing the amount of funds provided by the borrower (creditor) with the owner of the company.

The results of other studies stating that Debt to Equity Ratio (DER) have a negative and significant effect on ROA (Ayani, 2016., Mahardhika, 2016., Yulita., 2017). And the results of this study are not in line with research that states that Debt to Equity Ratio (DER) does not affect ROA (Dewi, 2015., Mahardhika, 2016).

3. The Influence Of BOPO, NPL And DER Against The Return On Assets

From the results of the statistical tests of BOPO, NPL and DER \((X_4)\) positive and significant effect on ROA \((Y)\) in the Bank of North Sumatra 2008-2017. Due to the results of \(F_{count}(9,418) > F_{table}(3.71)\) with a significant value of 0.011 below the value of 0.05 which indicates that the variables BOPO \((X_1)\), NPL \((X_2)\) and DER \((X_3)\) simultaneously have a significant effect on ROA \((Y)\) in the Bank North Sumatra. Where the magnitude of the influence of BOPO, NPL and DER is 82.5% which can be seen from the R Square value of 0.825. This shows that the ROA of 82.5% is influenced by the role of variations in BOPO, NPL and DER while the remaining 17.5% is influenced by other variables such as current ratio, primary ratio, CAR, and other variables, which are not examined. The results of other studies also state that BOPO, NPL and DER have a simultaneous effect on ROA (Pinasti, 2018., Peling, 2018).

E. CONCLUSION

1. Partially BOPO has a negative and significant effect on ROA in North Sumatra Bank companies.
2. Partially NPL does not affect ROA on North Sumatra Bank companies.
3. Partially DER does not affect ROA on North Sumatra Bank companies.
4. Simultaneously BOPO, NPL and DER have a significant effect on ROA in North Sumatra Bank companies.

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