RETURN ON ASSETS DETERMINED BY NON PERFORMING LOAN AND DEBT TO EQUITY RATIO (Survey on Foreign Exchange Commercial Banks Listed In Indonesian Stock Exchange From The Year 2011 – 2015)

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ABSTRACK

The problem with Foreign Exchange BUSN banks in the period 2011-2015 listed on the Indonesia Stock Exchange is the deacrease of Return on Assets even though Non Performing Loans and Debt to Equity Ratio have decreased. The purpose of this research to prove the presence or absence of Return on Assets is affacted by Non Performing Loans and Debt to Equity Ratio.

The research method is used analysis of descriptive dan verifikatif with the unit of analysis that examined the financial statement of the bank are Foreign Exchange BUSN banks listed in period BEI 2011-2015 and the population is 110 financial reports from the 22 companies with the selection of the sample using a Purposive Sampling method and obtained sample of research is 35 of financial statement of 7 companies. Data analysis technique used is multiple linear regression analysis and assisted by the program SPSS 16.0.

These results of this research showed the Return on Assets is affacted by Non Performing Loans and Return on Assets is affacted by Debt to Equity Ratio.

Keywords: *Return on Assets, Non Performing Loans, Debt to Equity Ratio.*

I. INTRODUCTION

1.1 Background Research

The bank refers to a financial institution whose primary activity is to gather funds from community and channel it back those funds to the community as well as providing other services (Cashmere 2012:3). The Bank in relation to the functions of intermediary are faced with two tasks, namely the operational tasks to raise funds from the public and to allocate those funds to a variety of financial instruments that can give you an advantage for the bank (Greydi, 2013).

Each company in the conduct of business activities, certainly has a specific goal and one that is gaining profits, these goals can be achieved if the management of the company work with high level of effectiveness (Mayasari, 2012). Profitability ratios showed a picture of the effectiveness of the management of the company in generating profits (Kamaludin and Indriani 2012:45). The Bank needs to maintain high profitability, business prospects that develop, distribute dividends, and comply with the prudential banking regulation properly so that performance is rated excellent (Sri Wahyuni Kasbal, 2012). Profitability is the most appropriate indicators to measure the performance of a bank (Sofiyan, 2013:39).

The rate of *Return on Assets* measures the profitability of the bank as Bank Indonesia as the Builder and the banking supervisors prefer a bank profitability value measured from the assets that the Fund comes from the majority community savings funds (Wibowo, 2013). *Return on Assets* showed the ability of the company generates profits from assets used, where this ratio is calculated by dividing the profit after taxes with assets averaged – averaged (Sugiyarso 2011). Based on the provisions of Bank Indonesia, then a standard ROA is about 1.5%, the greater the ROA shows the company's performance the better, because the return is so large (Lyla Rahma Adyani and r. Djoko Sampurno 2011).

Credit risk is the risk that occurs because loan payments or loan principal can not be done in time to maturity (Haneef et al., 2012). *The Non Performing Loan* is a credit in it there are obstacles caused by the two elements namely the banking in analyzing and assisting parties with intentionally or unintentionally in its obligations not to make payments (Cashmere, 2013:155). Kolapo et al. (2012) stated that among the risks faced by the bank, the credit risks play a very important role against profitability at the bank, because the biggest losses from the bank's income came from loans from which the flowers were lowered.

A company is in need of capital to run their business by borrowing to a financial institution that is a bank or other parties. *Debt to equity ratio* is one of the ratio of *leverage* that aims to measure the ability of private equity, which provided security for the company's overall debt (Cashmere 2013:158).

The rate of *Return on Assets* pt. Indonesia Civil Woori Tbk. (SDRA) in 2012-2013 has decreased, but not followed by *Peforming a Non Loan* which should increase in 2012 – 2013. In addition, the *Return on Assets* PT Bank CIMB Niaga Tbk. (BNGA) decline in the years 2013 and 2014 in a row along with a declining *Debt-to-Equity Ratio.*

Based on these problems then the researchers interested in researching about **" The Return On Assets Dideterminade by Non Performing Loans and Debt to Equity Ratio"**

1.3 Formulation of The Problem

1. What is the rate of Return of Assets affected by Non Performing Loans.
2. What is the rate of Return of Assets affected by Debt to Equity Ratio.

1.4 The intent and purpose of the research

1.4.1 Intent Research

The purpose of this research is to seek the truth over Return On Assets Dideterminade by Non Performing Loans and Debt to Equity Ratio.

1.4.2 Research Objectives

As for the purpose of this research was based on the formulation of the problems above are:

1. For prove there is or not Rate of Return of Assets affected by Non Performing Loans.
2. For prove there is or not Rate of Return of Assets affected by Debt to Equity Ratio.

1.5 Usability Research

1.5.1 Practical Usability

1. For The Company

   Additional information can be used at the same time can provide input to evaluate the company for development and contribution to the company management in setting the policies - policy and strategy in improving the performance of the the company.
2. For Investors

   The results of this research can provide a reference to investors in order to choose the right company to serve as a place of investment by looking at the Non Performing Loans and Debt to Equity Ratio, because Return On Assets Dideterminade by Non Performing Loans and Debt to Equity Ratio of the company.

1.5.2 Academic Uses

1. The Development Of Science

   The results of research that has been done, can be beneficial to the development of information science in particular in the field of financial accounting.
2. For The Next Researcher

   The results of this research are expected to add insights and deepening of knowledge especially with regard to Return On Assets Dideterminade by Non Performing Loans and Debt to Equity Ratio and can serve as reference material for the reader.

II. LITERATURE REVIEW, FRAMEWORK AND HYPOTHESIS

2.1 REVIEW OF THE LITERATURE

2.1.1 Return On Assets

The Return on Asset is profitability ratio, one that is used to measure the effectiveness of the company in generating profits by leveraging the total assets. Based on the provisions of Bank Indonesia, then the standard *Return on Assets* that is good is around 1.5%. The larger the ROA shows the company's performance the better, because the *return* is so large (Lyla Rahma Adyani and r. Djoko Sampurno, 2011).

In this study of the indicators *Return on Assets* that is the comparison between profit before tax with total assets (Veithzal Rivai, 2013:480 et al.).

2.1.2 Non Performing Loan

According to Setyorini (2012:181) *the Non Performing Loan* or often called as bad debt can be interpreted as having difficulty paying off loans due to deliberate action and factors or due to external factors beyond the control of the obligor's capabilities.

In this study of the indicators *The Non Performing Loan* that is a ratio that compares the amount of bad debt with a total credit given (Cashmere, 2013:115).

2.1.3 Debt to Equity Ratio

According to Sofyan Harahap Syafri (2013:303), argued about the sense of Debt to Equity Ratio is:

"*Debt to Equity Ratio* is the ratio that illustrates the extent to which the owners of capital can cover debts – debts to outside parties, the smaller this ratio then the better."

In this study of the indicators *Debt to Equity Ratio* i.e. the ratio is sought by way of compare between the entire debt, including debt smoothly with the rest of the equity (Cashmere, 2013:158).

2.2 The Framework Of Thought

2.2.1 Return On Assets affected by Non Performing Loan

When the bank channeled many credit problems (crashes), the bank would "suffer greatly". First interest income decreased, declining profit second, third fourth, bank liquidity troubling reputation damaged banks, fifth allocation of HUMAN RESOURCES, sixth time allocation (Jopie Jusuf 2014:317).

Diyah Pamularsih (2013) results of research reflect the credit risk, NPL high will cause banks reluctant to disburse its credit, because banks have to prepare reserves the large deletion so that banks would be more careful in disbursing loans, when the NPL has increased thus ROA decline and vice versa, when the NPL decline then the ROA has increased.

Kolapo et al. (2012) stated that among the risks faced by the bank, the credit risks play a very important role against profitability at the bank, because the biggest losses from the bank's income came from loans from which the flowers were lowered.

2.2.2 Rate of return of assets affected by Debt to Equity Ratio

According to James m. Reeve et al., (2010:322) which is translated by the Damayanti Dian relationship your Debt to Equity Ratio (DER) and Return on Assets (ROA) is as follows:

"High debt ratio in excess of 50% of the total funding can result in levels of return on assets (ROA) is low. Even if the condition is still not addressed, then the company will pay back a loan failed in the threatened on a regular basis can experience difficulty in obtaining credit. A lack of credit available can cause a decrease in 27 in generating profitability to the company or companies may become bankrupt. Similarly, a company that is less capable in generating profit compared to its competitors the possibility of obtaining risk of difficulties in obtaining credit ".

While according to Cashmere (2012:152), which States that:

"The company has a high debt ratio, this will affect the incidence of the risk of large losses. On the contrary, if the company has a lower debt ratio certainly have a smaller risk of loss, especially at a time when the economy is declining, this resulted in a low level impact on the result return (ROA) at a time when the economy is high. "

2.3 The hypothesis

According to Sugiyono (2014:96) is a temporary answer against hypothesis formulation research issues, where the outline of the research problem has been stated in the question. Based on the explanation and research paradigm of the above, the authors formulate a hypothesis as follows:

H1: *Return on Assets* affected by *the Non Performing Loan*.

H2: *Return on Assets* affected by the Debt to Equity Ratio.

III. RESEARCH METHODS

3.1 Research Methods

This research method using descriptive and quantitative approach with verifikatif descriptive research, the methods used to describe research results, while verifikatif is used to test the hypothesis. The descriptive method was used to find out the development of *the Non Performing Loan* and *Debt to Equity Ratio* on Bank foreign exchange BUSN listed in Indonesia stock exchange years 2011-2015. While the verifikatif method is used to find out the *Return on Assets* Dideterminasi by *the Non Performing Loan* and *Debt to Equity Ratio* on Bank foreign exchange BUSN listed in Indonesia stock exchange years 2011-2015.

3.2 Operasionalisasi Variable

Operasionalisasi variable is required to determine the type of indicator, as well as the scale of the associated variables in research, so the hypothesis testing with statistical tools can be done correctly in accordance with the title of the research. To be more clear about the variables – variables are examined, it can be seen in table 3.1.

3.3 Data sources and Data collection Techniques

3.3.1 The Data Source

Data source this study is financial statements Bank foreign exchange BUSN listed in Indonesia stock exchange during the last 5 years calculated from 2011-2015.

3.3.2 Engineering Data Collection

As for the data collection Techniques used in this research are as follows:

1. The Research Field (*Field Research*)

   Field research i.e. research conducted directly concerned with who became the object of research. The Data retrieved is secondary data obtained by means of:

   a. Observation (Direct Observation)

      According to Husein Umar (2014:51) stated that the observation is a technique which demands observation of researchers either directly or indirectly against the object of his research. By the way do the observations directly to the library staff that is on the Indonesia Stock Exchange to obtain data in the form of financial report 2011-2015 on Bank foreign exchange BUSN as needed.

   b. Documents

      Data collection by way of recorded data-related issues that will be examined from the documents relating to the company. Based on this research will hopefully obtain data regarding *Return on Assets* Dideterminasi by *the Non Performing Loan* and *Debt to Equity Ratio* that the foreign exchange Bank owned BUSN listed on the Indonesia stock exchange, as well as other information that is required.

2. Research Libraries (*Library Research*)

Data collection is done by reading the literature-literature, books on the theory of problems researched and using internet media as media advocates in search of additional information about the theory as well as the necessary data in this study.

3.4 Population, Sample and Place and Time of Research

3.4.1 Population

According to Sugiyono (2014:117), the population of the area of research is the generalization of the object or the subject of the who has the quality and specific characteristics set by the researchers to study then pulled his conclusion.

The population in this research is 110 annual report consisting of 7 companies of the year 2011 - 2015 or N = 22 x 5 = 110 the financial statements of Financial Position Report on Bank foreign exchange BUSN years 2011 – 2015 on the Indonesia stock exchange.

3.4.2 Sample

According to Sugiyono (2014:118), is part of a number of samples and characteristics shared by the population. Determination of the number of samples that will be though the number of the population, then it should be done with the technique of taking of *sampling* . As for the sampling techniques used in this research is *sampling purposive.*

The financial statements of the company's consistent 7 listed on the Indonesia stock exchange and then taken the samples used in this study is financial statements: financial position reports provided from 7 companies that consistently belongs to the Bank in the foreign exchange BUSN Securities Indonesia in accordance with the criteria. Years of observations were used in this study for 5 consecutive years – takes part, that starting in 2011 – 2015 to report financial position given, because it was considered *respresentatif* (represent) to the test carried out research to find out the *Return on Assets* Dideterminasi by *the Non Performing Loan* and *Debt to Equity Ratio*, so that the sample used in this study i.e. as many as 35 of the financial statements of the company (7 x 5) , because it was considered to represent a test done for research.

3.4.3 Place and Time of Research

3.4.3.1 The Place Of Research

To obtain data and information related to issues that are examined, then the author of the Research Office of the representative of Bandung Indonesia Stock Exchange located on JL. h. Mustofa PH No. 33, Cibeunying Kaler, Neglasari, Bandung 40124 Tel. (022) 20524208.

3.4.3.2 Research Time

As for the timing of the implementation of the research began in January 2017 until August 2017.

3.5 Testing Methods Of Data

Testing method *Return on Assets* Dideterminasi by *the Non Performing Loan* and *Debt to Equity Ratio* listed on the Indonesia stock exchange (idx) of the year 2011 – 2015 can be researched by several methods. Researchers use statistical methods of analysis and multiple correlation.

3.5.1 The Draft Analysis

Researchers analyze the data which has been described by using the method of analysis of descriptive (qualitative) and verifikatif (quantitative) and quantitative approach.

According to Sugiyono (2012:14) defines *qualitative* analysis as follows:

"Qualitative research Methods was carried out intensively, researchers participated in field long, noting the careful – heart what happened, reflective analysis against various documents found in field, and make a detailed research report."

Descriptive Studies are used to illustrate how the influence *The Non Performing Loan* and *Debt to Equity Ratio* against the *Return on Assets*.

Testing methods of data on statistics *descriptive* was the statistic that gives an overview or description of a data views from the flat – flat, standard deviation, minimum, maximum, variance, kurtosis, skewnes (kemencengan distribution). *Descriptive* Statistics describe the data into a more clear and easy to understand. In conducting statistical analysis statistical test there are some steps that should be done. As for the steps-the steps are as follows:

1. Classic Assumption Test

To obtain a more accurate result in the multiple regression analysis is then performed a classic assumption test so that the results obtained regression equation is which has the nature of the *Best Linear Unbiased Estimator* (*BLUE*). Some classical regression assumptions that must be met first before using multiple regression analysis (*Multiple Linear Regression*) as a tool to analyse the influence of the variables examined. There are four types of tests on this classic assumption test, including:

2. Correlation Analysis

a. Partial Correlation Analysis

Partial correlation analysis was used to find out the strength of the relationship between correlation of these two variables (*independent* and *dependent*) and size that is used to specify the degree or strength of the correlation relationship. This coefficient measurements performed using pearson coefficient *correlation product* moment, associative relationships to test/relationship when the data is interval or ratio-shaped (Sugiyono, 2012:216). Determination of the coefficient of correlation analysis method using correlation *Pearson Product Moment* by using the following formula:

Table 3.6
Guidelines for providing Interpretation of the correlation Coefficient

Interval Coefficients	Rate Keeratan
0.0 – 0.20	Very Low
0.21 – 0.40	Low
0.41 – 0.60	Is being
0.61 – 0.80	Strong
– 0.81 1.00	Very Strong

3. Analysis Of The Coefficient Of Determination

The magnitude of the influence *of Non Performing Loan* (X 1) and *Debt to Equity Ratio* (X 2) against the *Return on Assets* (Y) can be known by using the analysis of the coefficient of determination or abbreviated Kd obtained by squaring the coefficients korelasinya are:

$$Kd = r^2 x\ 100\%$$

Source: Umi Narimawati, (2010:50)

Description:

Kd : *Coefficient of determination or how far the change of variabel Y Is used by variable X*

r^2 : *Squared Correlation Coeffient*

100% : *Multiplier That States Percent*

3.5.2 Hypothesis

Design of testing this hypothesis is assessed with the setting of the zero hypothesis and alternative hypothesis, research test statistics and the calculation of the value of the test statistic, the calculation hypotheses, the determination of the level of significant and conclusion of withdrawal.

1. In testing this hypothesis test using one hand (*a one-tail test*) seen from sound statistical hypothesis, namely the zero Hypothesis (H0): β = 0 and the alternative Hypothesis (Ha): β ≠ 0.
   H0: β = 0: *Return On Assets* is not significantly influenced by *the Non Performing Loan.*
   HA: β ≠ 0: *Return On Assets* is significantly influenced by *the Non Performing Loan .*
   H0: β = 0: *Return On Assets* is not significantly affected by *Debt to Equity Ratio .*
   Ha: β ≠ 0: *Return On Assets* significantly influenced *Debt to Equity Ratio.*
2. Determine the level of significant
   Determined with 5% of the non-degree (dk) = n – k – l, to specify the table as the boundaries of the area of acceptance and rejection of the hypothesis. Significant Rate used was 0.05 or 5% because it judged sufficient to represent the relationships of the variables – variables that were examined and the significance level that is commonly used in a research.
3. To draw a Region of acceptance and Rejection
   To draw a region of acceptance or rejection then used the following criteria:
   · The results of the t count compared to the t table with the criteria:
   a) If t ≥ t count table then H0 area denial, mean Ha accepted meaning between variables X and Y variables matter.
   b) If t ≤ t count table then H0 area admissions, meaning Ha denied that means between variables X and Y variables there is no influence.
   c) t count; searchable by the formula calculation of t count.
   d) table t; t distribution table in the sought after student with conditions as follows, α = 0.05 and dk = (n – k – 1) or 24 – 2 – 1 = 21.

IV. THE RESULTS OF THE RESEARCH AND THE DISCUSSION

4.1 *Result of Research*

4.1.1 Descriptive analysis result

4.1.1.1 Descriptive Analysis *Of Non Performing Loan* (NPL)

The Non Performing Loan (NPL) experiencing fluctuations each year . *The Non Performing Loan* (NPL) on Bank foreign exchange BUSN listed in Indonesia stock exchange 2011-2015 period tend to experience a rise in.

4.1.1.2 A descriptive analysis of the *Debt to Equity Ratio* (DER)

Debt to Equity Ratio (DER) experience fluctuations and tend to decreased , so it can be inferred that *Debt to Equity Ratio* (DER) on Bank foreign exchange BUSN listed in Indonesia stock exchange 2011-2015 period tend to experience the decline in.

4.1.1.3 A descriptive analysis of the *Return on Assets* (ROA)

Return on Assets (ROA experience fluctuations and tend to decrease, so it can be inferred that the *Return on Asset* (ROA) on Bank foreign exchange BUSN listed in Indonesia stock exchange 2011-2015 period tends to decline.

4.1.2 Verifikatif Analysis

4.1.2.1 A Classic Assumption Test Results

1. Test For Normality

   The probability value in view of the value of the Sig Asymp is of such value and 0.178 greater than 0.05, then in accordance with the test criteria can be concluded that the residual in the regression model is Gaussian, normally, so the model has fulfilled one of the conditions to do regression testing.

2. Test Multkolinieritas

   Based on the value of the VIF obtained shows there is no correlation between a pretty strong free variables. It can be seen from the tolerance quantity (α) and variance inflation factor (VIF) If using the alpha/tolerance = 10% or 0.10 then VIF = 10. From the results of the output from these two variables to calculate the VIF i.e. of 1.046 smaller than 10 and all free variables tolerance value of 0.956 = 95.6% greater than 10%, then it can be concluded there is no multikolinieritas between the variables *of Non Performing Loan* (NPL) and *Debt to Equity Ratio* (DER).

3. Test Heteroskedasitas

   In Figure 4.5 looks that dots randomly spread and spread both above or below the 0 on the Y axis. It can be inferred that heteroskedasitas does not occur in the regression model, so that the regression model is used to predict a decent *Return on Asset* (ROA) based on independent variables *of Non Performing Loan* (NPL) and *Debt to Equity Ratio* (DER).

4. Autocorrelation Test

   Based on the above table 4.14, retrieved value statistics Durbin-Watson (DW) = 1.850 greater than-2. The value of the statistical output DW above i.e. of 1.850 lies between-2 and + 2, or-1.850 < < 2 + 2, then it can be inferred that do not occur on the regression equation of autocorrelation. Because the four assumptions of regression is complete, then it can be inferred that the estimation of regression model results already ineligible BLUE (Best Linear Estimation Unbias) so it says the conclusions obtained from regression models already described the State of the real.

4.1.2.1 Multiple Linear Regression Analysis Results

Y = 0.329-3.146 0.107 X 2-X 1

Multiple linear regression equations above can be interpreted as follows:

a. Constants of 3.146; meaning if *the Non Performing Loan* (NPL) and *Debt to Equity Ratio* (DER) its value is 0, then the *Return on Asset* (ROA) value is 3.146.

b. The regression Coefficient of the variable *of Non Performing Loan* (NPL) (X_1) registration-0.329; meaning if other independent variable value is fixed and *Non Performing Loan* (NPL) increase 1%, then the *Return on Asset* (ROA) (Y) will be decreased by 0.329. The coefficient is negative that means going negative relationship between *the Non Performing Loan* (NPL) and *Return on Assets* (ROA), the higher *the Non Performing Loan* (NPL) then the *Return on Asset* (ROA) will be getting lower.

c. The regression Coefficient of the variable *Debt to Equity Ratio* (DER) (X_2)-0.107; meaning if other independent variable value is fixed and the *Debt to Equity Ratio* (DER) increase 1%, then then the *Return on Asset* (ROA) (Y) will experience a decrease of 0.107. The coefficient is negative that means going negative relationship between the *Debt to Equity Ratio* (DER) with *Return on Assets* (ROA), the higher the *Debt to Equity Ratio* (DER) then the *Return on Asset* (ROA) is getting low.

4.1.2.3 Analysis Of The Correlation Coefficient

Based on table 4.11 above, the relationship between *the Non Performing Loan* (NPL) and *Return on Assets* (ROA) when the *Debt to Equity Ratio* (DER) is not changed is of 0.435, meaning *the Non Performing Loan* (NPL) have relationships are with the *Return on Asset* (ROA). This is apparent from the correlation values between 0.40 to 0.599 who belongs in the category of being. The relationship is negative means that any increase in *the Non Performing Loan* (NPL) then it will lower the *Return on Asset* (ROA) and likewise vice-versa.

Based on table 4.13 above, h relationship between the *Debt to Equity Ratio* (DER) and *Return on Assets* (ROA) when *the Non Performing Loan* (NPL) is unchanged -0.465, meaning *Debt to Equity Ratio* (DER) have relationships are with the *Return on Asset* (ROA). This is apparent from the correlation values between 0,40 to 0,599 who belongs in the category of being. The relationship is negative means that any increase in *the Debt to Equity Ratio* (DER) then it will lower the *Return on Asset* (ROA) and likewise vice-versa.

4.1.2.4 Analysis Of The Coefficient Of Determination

The influence of free variables among the partially against variable is as follows:

a) the influence of *the Non Performing Loan* against the *Return on Assets* = $(0.435)^2$ x 100% = 18.92% can be seen in table 4.11.
b) the influence of variable *Debt to Equity Ratio* against the *Return on Assets* = $(0.465)^2$ x 100% = 21.62% can be seen in table 4.13.

4.1.2.5 Testing the hypothesis Partially (t-test)

With the level of significant (α) of 5%, and the degrees of freedom (df) = 32, then retrieved the value of ttabel 2.037. So it can be deduced a value of-thitung <-ttabel (-2.391 <-2.037) and it can be inferred that H0 is rejected and the H1 is accepted. These results are also shown by statistical tests of significance value for variables *of Non Performing Loan* (NPL) amounted to 0.023, it means a mistake to say there is an impact on *Return on Assets* (ROA) is only 2.3% or smaller than the mean error rate that can be received by 5% so it can be decided to reject H0. In conclusion, *Return on Assets* (ROA) was influenced by *the Non Performing Loan* (NPL) significantly.

With the level of significant (α) of 5%, and the degrees of freedom (df) = 32, then retrieved the value of ttabel 2.037. So it can be deduced a value of -thitung <-ttabel (2.655-< -2.037) and it can be inferred that H0 is rejected and the H1 is accepted. These results are also shown by statistical tests of significance for the value of the variable *Debt to Equity Ratio* (DER) of 0.012, it means a mistake to say there is an impact on *Return on Assets* (ROA) is only 1.2% or smaller than the mean error rate that can be received by 5% so it can be decided to reject H0. In conclusion, *Return on Assets* (ROA) is influenced by the *Debt to Equity Ratio* (DER) significantly.

4.2 Discussion

4.2.1 *Return on Assets* (ROA) is influenced by *the Non Performing Loan* (NPL)

The results of research that has been done is obtained the value of the correlation between *the Non Performing Loan* (NPL) and *Return on Assets* (ROA) when the *Debt to Equity Ratio* (DER) is not changed is of 0.435, meaning *the Non Performing Loan* (NPL) have relationships are with the *Return on Asset* (ROA). This is apparent from the correlation values between 0.40 to 0.599 who belongs in the category of being. The relationship is negative means that any increase in *the Non Performing Loan* (NPL) then it will lower the *Return on Asset* (ROA) and likewise vice-versa.

Then a big percentage of the *Return on Assets* (ROA) was influenced by *the Non Performing Loan* (NPL), namely of 18.92%. Judging from the results, then the influence of *the Non Performing Loan* (NPL) against the *Return on Asset* (ROA) is less dominant. This means that there is another factor of 81.08% which can affect the *Return on Asset* (ROA) such as sales growth, inventory turnover, inventory turnover and the title of other factors outside the financial ratios such as the economic conditions (economic growth, unemployment rate, inflation, and others).

This is in accordance with the results of research conducted by Akhtar dkk. (2011), Achmad Buchory Herry (2015), Ni Made Uthami Inten Daughter Nearly and I Ketut Mustanda (2016), which shows the that *Return on Assets* (ROA) influenced by the *The Non Performing Loan* (NPL).

4.2.2 *Return on Assets* (ROA) affected by *Debt to Equity Ratio (DER)*

The results of research that has been done is obtained the value of the correlation between the *Debt to Equity Ratio* (DER) and *Return on Assets* (ROA) when *the Non Performing Loan* (NPL) is not changed is 0.465 means registration- *Debt to Equity Ratio* (DER) have relationships are with the *Return on Asset* (ROA). This is apparent from the correlation values between 0.40 to 0.599 who belongs in the category of being. The relationship is negative means that any increase in *the Debt to Equity Ratio* (DER) then it will lower the *Return on Asset* (ROA) and likewise vice-versa. If the company has a high debt ratio, this will affect the incidence of the risk of large losses. On the contrary, if the company has a lower debt ratio certainly have a smaller risk of loss, especially at a time when the economy is declining, this resulted in a low level impact on the result return (ROA) at a time when the economy is high.

Then a big percentage of the *Return on Assets* (ROA) is influenced by the *Debt to Equity Ratio* (DER) of 21.62% . Judging from the results, then the influence *Debt to Equity Ratio* (DER) against the *Return on Asset* (ROA) is less dominant. This means that there is another factor of 78.38% which can affect the *Return on Asset* (ROA) as the rotation of its inventory, sales growth, the turnover of receivables and the title ofr-factors other than financial ratios such as the economic conditions (economic growth, unemployment rate, inflation, and others).

The result p this enelitian explain that *Return on Assets* (ROA) is influenced by the *Debt to Equity Ratio* (DER) . This is in accordance with the results of research conducted by m. Gilang Ramadhan, Marlina Widiyanti, & Taufik (2016), Listyorini Wahyu Widati (2012), Yoyo Sudaryo and Mila Novita Sari (2012), showing the *Return on Asset* (ROA) is influenced by the *Debt to Equity Ratio* (DER).

V. CONCLUSIONS AND SUGGESTIONS

5.1. Conclusion

Based on the results of research and discussion of *The Non Performing Loan* (NPL) and *Debt to Equity Ratio* (DER) against the *Return on Asset* (ROA), then at the end of the study, the authors draw conclusions as follows:

1. *Return on Assets* (ROA) influenced by the *Non Performing Loan* (NPL). There are relationships that are negative and that is, any increase in *The Non Performing Loan* (NPL) then it will lower the *Return on Asset* (ROA), meaning that the higher the *Non Performing Loan* (NPL) then the *Return on Asset* (ROA) will be getting lower, and likewise vice-versa. High NPL will cause banks reluctant to disburse its credit, because banks have to prepare reserves the large deletion so that banks would be more careful in disbursing loans, when the NPL has increased thus ROA decline and vice versa. Fluktuaktif changes *of Non Performing Loan* (NPL) due to the increase or decrease in the amount of credit given to the closely related and third parties, the amount of the credit is less smooth, doubtful loans and bad credit.
2. *Return on Assets* (ROA) is influenced by the *Debt to Equity Ratio* (DER) . There is h a relationship that medium and are negative meaning, any increase in *the Debt to Equity Ratio* (DER) it would lower the *Return on Asset* (ROA) and likewise vice-versa. If the company has a high debt ratio, this will affect the incidence of the risk of large losses. On the contrary, if the company has a lower debt ratio certainly have a smaller risk of loss, especially at a time when the economy is declining, this resulted in a low level impact on the result return (ROA) at a time when the economy is high. Fluktuaktif changes of the *Debt to Equity Ratio* (DER) due to the increase or decrease in the number of deposits from customers, acceptance speeches are a liability, the liability of derivatives, those effects are published, taxes, interest charges are still payable, a liability in Exchange for work, tax-deferred interest liability, financial liabilities for subordinated bonds, traded, share capital, agio, and balance profit undetermined use.

5.2. Advice

5.2.1. Practical Advice

1. For The Company

For BUSN Bank Foreign Exchange listed on the Indonesia stock exchange especially for the management of the company, the company will need to remain cautious in managing and running the company especially in doing improvement on performance of finance. The company must more selective in doing channeling credit. Wherever possible the company can minimize the credit channeling troubled so optimal credit with acceptance can increase profits for the company. Then the company should also be able to better maintain capital adequacy and avoid excessive debt to minimize the risk of nonpayment. In addition, companies need to improve the performance of Financials in generating profit by using the assets of the company optimally. Companies can increase revenue and undertake efficiency operating expenses so that companies can get optimum profit, with optimal profit expected the company can maintain the stability of the *Return on Asset* (ROA).

2. For Investors

While b agi investors who are investing or will new start investment on corporate banking registered in Bursa Effects Indonesia, is expected to be more careful in investment decision making. Investors need to take into consideration *the Non Performing Loan* (NPL) and *Debt to Equity Ratio* (DER) companies so as not wrong in investing capital into companies that could potentially do not generate optimal profit.

5.2.2. Academic Advice

For subsequent researchers and development of accounting sciences are expected to add or use other financial ratio variables that are able to predict *Return on Assets* (ROA) in this study were considered able to provide more accurate research results again, as accounts receivable turnover, inventory turnover, sales growth and the title of other factors outside the financial ratios such as the economic conditions (economic growth, unemployment rate, inflation, and others). In addition, for the researchers expected that subsequent data samples taken not only from the BUSN Bank Foreign Exchange only, but expanded on the company's other sectors.

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ATTACHMENT

Table 3.1
Operasionalisasi Variable

Variable	The concept of	Indicator	The scale of the
The Non Performing Loan ( )	*The Non Performing Loan* measured from the comparison between the bad debt to the total credit **Veithzal Rivai** (2013:398)	$NPL = \frac{\text{Total Kredit Bermasalah}}{Total\ Kredit\ yang\ Diberikan}\ x\ 100$ **Veithzal Rivai** (2013:398)	Ratio
Debt to Equity Ratio ( )	*Debt to equity ratio* the ratio is sought by way of compare between the entire debt, including debt smoothly with the rest of the equity **Cashmere** (2013:158)	$DER = \frac{Total\ Liabilities}{Total\ Equity} x\ 100\%$ **Cashmere** (2013:158)	Ratio
Return on Assets (ROA) (Y)	ROA ratio is a comparison between the profit before tax with *total asset* used to measure a bank's ability in gaining advantage in overall. **Veithzal Rivai, et al**. (2013:480)	$ROA = \frac{Laba\ Sebelum\ Pajak}{Total\ Aktiva} x100\%$ **Veithzal Rivai, et al.** (2013:480)	Ratio

Table 4. 7
Kolmogorov-Smirnov Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		35
Normal Parameters[a,b]	Mean	0000000.
	Std. Deviation	64324438.
Most Extreme Differences	Absolute	186.
	Positive	186.
	Negative	-158.
Kolmogorov-Smirnov Z		1,100
Asymp. SIG (2-tailed)		178.

a. Test distribution is Normal.

Table 4.8
Results Of Testing The Assumptions Multikolinieritas

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	Non Perpforming Loan	956.	1,046
	Debt to Equity Ratio	956.	1,046

a. Dependent Variable: Return_on_Asset

Scatterplot

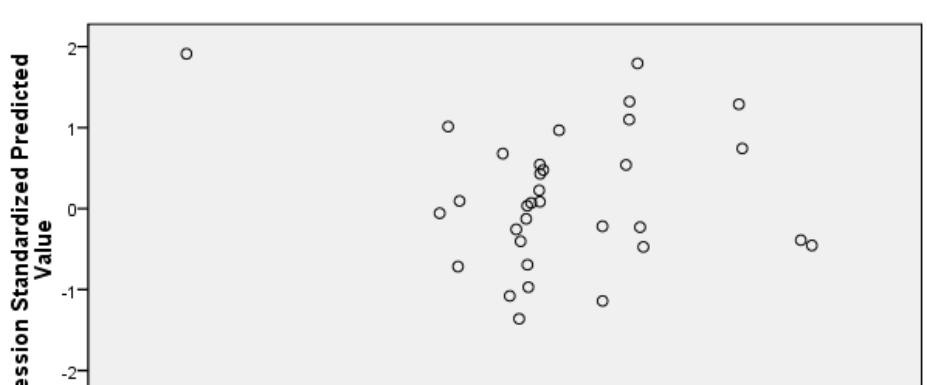


Figure 4.5
Scatterplot Graph

Table 4.9
Results Of Testing The Assumptions Of Autocorrelation

Model Summary[b]

Model	R	R Square	Adjusted R Square	STD Error of the Estimate.	Durbin-Watson
1	579.[a]	335.	294.	66304.	1,850

a. Predictors: (Constant), Debt_to_Equity_Ratio, Non_Perpforming_Loan

b. Dependent Variable: Return_on_Asset

Table 4.11
The Results Of Pearson Correlation *Of Non Performing Loan* (NPL) with the *Return on Asset* (ROA)

Correlations

		Non_Perpforming_Loan	Return_on_Asset
Non_Perpforming_Loan	Pearson Correlation	1	-435.**
	SIG (2-tailed)		009.
	N	35	35
Return_on_Asset	Pearson Correlation	-435.**	1
	SIG (2-tailed)	009.	
	N	35	35

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4. 12

The results of the The Test Of Hypothesis Partial *Return on Assets* (ROA) dip engaruh I by *The Non Performing Loan* (NPL)

Coefficients[a]

Model		Unstandardized Coefficients		Component Coefficients	t	SIG.
		B	Std Error.	Beta		
1	(Constant)	3,146	407.		7,722	000.
	Non_Perpforming_Loan	-329.	137.	-352.	-2,391	023.
	Debt_to_Equity_Ratio	-107.	040.	-391.	-2,655	012.

a. Dependent Variable: Return_on_Asset

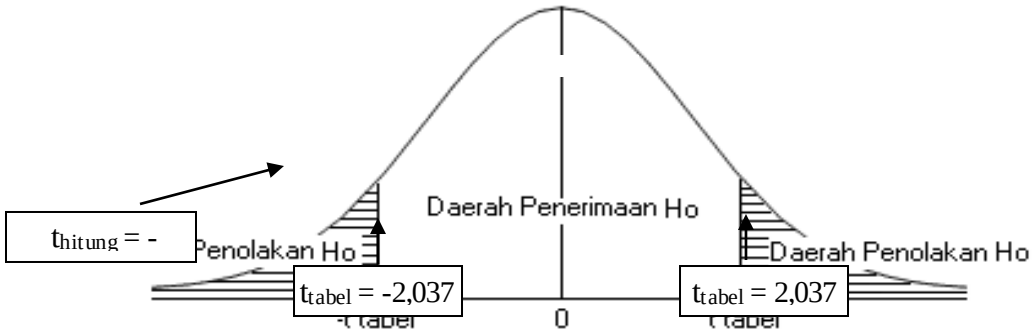


Figure 4.6
The graph of the denial and the acceptance of H_0 t Test On *the Non Performing Loan* (NPL) against the *Return on Asset* (ROA)

Table 4. 13

Pearson Correlation Results *Debt to Equity Ratio* (DER) with the *Return on Asset* (ROA)

Correlations

		Debt to Equity Ratio	Return on Assets
Debt to Equity Ratio	Pearson Correlation	1	-465.**
	SIG (2-tailed)		.005
	N	35	35
Return on Assets	Pearson Correlation	-465.**	1
	SIG (2-tailed)	.005	
	N	35	35

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4. 14

The results of the The Test Of Hypothesis Partial *Return on Assets* (ROA) dip engaruh l by *Debt to Equity Ratio* (DER)

Coefficients[a]

Model		Unstandardized Coefficients		Component Coefficients	t	SIG.
		B	Std Error.	Beta		
1	(Constant)	3,146	407.		7,722	000.
	Non_Perpforming_Loan	-329.	137.	-352.	-2,391	023.
	Debt to Equity Ratio	-107.	040.	-391.	-2,655	012.

a. Dependent Variable: Return_on_Asset

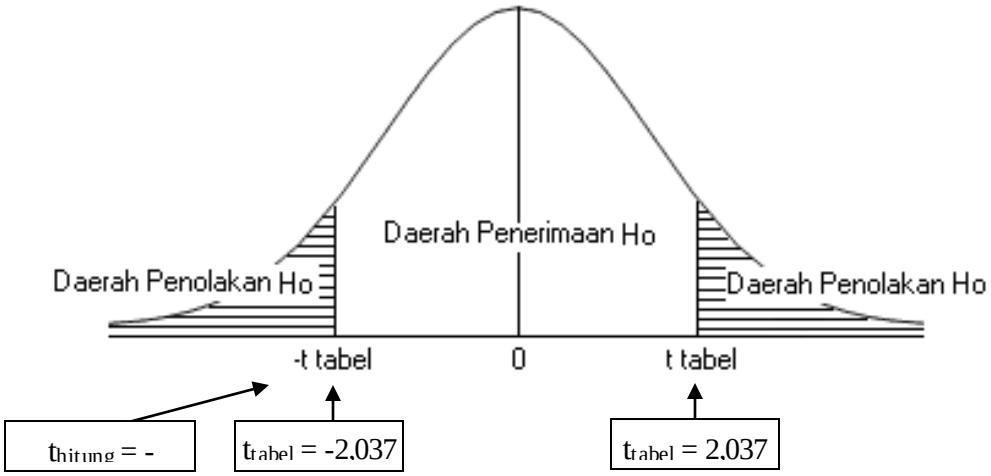


Figure 4.6

The graph of the denial and the acceptance of H_0 t Test on the *Debt to Equity Ratio* (DER) against the *Return on Assets* (ROA)