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Analysis of the Influence of Capital Adequacy Ratio, Non-Performing Loans, Loan to Deposit Ratio, and Net Interest Margin on Profitability Level (ROA) in Bumn Bank Listed on the IDX for the 2011-2022 Period

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Article Info	ABSTRACT
Keywords: Capital Adequacy Ratio (CAR), Non-Performing Loans (NPL), Loan To Deposit Ratio (LDR), Net Interest Margin (NIM), Profitability (ROA)	This study aims to analyze the effect of Capital Advocacy Ratio, Non-Performing Loans, Loan To Deposit Ratio, and Net Interest Margin, on the level of Profitability (ROA) in state-owned banks listed on the IDX for the period 2011-2022. The population in this study were four state-owned banks in Indonesia BBRI, BBNI, BBTN, BMRI. The number of samples used was 48. The analysis techniques used in this study include multiple linear regression to understand the comprehensive relationship between the variables concerned. The hypothesis testing methods used include the t-statistic test to test the significance of the partial regression coefficient, and the F-statistic test to evaluate the overall significance with a confidence level of 0.05. In addition, this study also applies classical assumption tests such as normality tests, multicollinearity tests, heteroscedasticity tests, and autocorrelation tests. The results of this study indicate that CAR, NPL, LDR, and NIM have a simultaneous effect on ROA in banking companies. The R-square value of 0.862 proves that the model is able to explain 86.2% of its influence on profitability, while the remaining 13.8% is determined by other variables outside the model. This finding implies that bank management can use these variables as a guide in improving the health and financial performance of the bank.
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INTRODUCTION

In facing the dynamics of the global economy and challenges in the financial sector, banks as financial institutions have a strategic role in supporting a country's economic growth. A bank is an institution whose main activity is collecting funds from the public through savings and distributing funds to the public in the form of loans, credit and services.

The main driver of the economy is good banking performance, so banks need to improve their performance well (Santoso, 2021). In the activities of collecting funds from the public and providing credit to the public, the financial performance of banking financial institutions becomes a significant picture that reflects the extent of the level of success that has been achieved by the bank in carrying out its operational activities. Thus, it is necessary to pay attention to and maintain the level of banking health. Therefore, regulations and supervision continue to be needed to ensure that each bank complies with established financial security and soundness standards.

Apart from that, banks also have a role in maintaining financial stability, managing risk effectively, and providing financial services to the public. In accordance with business entities whose capital is wholly or largely owned by the state through direct participation originating from separate state assets are called State-Owned Enterprises (BUMN). BUMN has a strategic role in supporting economic development, providing public services, and achieving certain national goals.

To date, there are four state-owned banks (BUMN) that are active in carrying out their activities in Indonesia, these banks are Bank BNI, BRI, BTN and Bank Mandiri. Below is a table showing ROA (Return on Assets) data for state-owned banks for the period 2011 to 2022, which reflects the bank's financial performance during that time period.

Table 1. Asset Value of State-Owned Banks 2011-2022 (In Millions)

No	YEAR	ISSUER			
		BBNI	BBRI	BBTN	BMRI
1	2011	299,058,161	469,899,284	89,121,459	551,891,704
2	2012	333,303,506	551,336,790	111,748,593	635,618,708
3	2013	386,654,815	626,182,926	131,169,730	733,099,762
4	2014	416,573,708	801,955,021	144,575,961	855,039,673
5	2015	508,595,288	878,426,312	171,807,592	910,063,409
6	2016	603,031,880	1,003,644,426	214,168,479	1,038,706,009
7	2017	709,330,084	1,127,447,489	261,365,267	1,124,700,847
8	2018	808,572,011	1,296,898,292	306,436,194	1,202,252,094
9	2019	845,605,208	1,416,758,840	311,776,828	1,318,246,335
10	2020	891,337,425	1,511,804,628	361,208,406	1,429,334,484
11	2021	964,837,692	1,678,097,734	371,868,311	1,725,611,128
12	2022	1,029,836,868	1,865,639,010	402,148,312	1,992,544,687

Source: https : www.idx.co.id

Based on this table, this research was then carried out to determine the variables that influence profitability (ROA) in banking which directly influence the main operational and financial aspects and are the main performance indicators used in the banking industry to assess the health, stability and efficiency of banks.

CAR Ratio (Capital Adequacy Ratio) according to Dendawijaya (2009) CAR is a ratio that shows how much of all bank assets contain elements of risk (credit, investments, securities, bills) at other banks.

The results of previous research regarding the influence of the CAR variable on profitability previously showed different results, according to Tenriola (2019), Pitasari & Baehaki (2017), found that the level of capital adequacy (CAR) contributed positively to the level of profitability (ROA). Bella (2022), CAR is known to have a positive impact but does not have a significant influence. Santoso (2021), states that the CAR variable affects profitability (ROA) with a negative impact.

According to Dwihandayani (2017) non-performing loans are an indicator in assessing bank performance. The NPL (Non-Performing Loans) ratio is used to measure a bank's management ability to manage bad loans, as well as to identify credit payments that are not running smoothly or not on time, so they are considered a bank risk. The results of previous research regarding the NPL variable on profitability, Marwansyah & Setyaningsih (2018) and Santoso (2021) stated that ROA has a significant negative effect between NPL (Non-Performing Loans) and ROA. Bella (2022), Sianturi, C., & Rahadian, D. (2020). states that there is a significant positive correlation between NPL (Non-Performing Loans) and ROA.

The LDR (Loan to Deposit Ratio) ratio is a parameter used to assess the extent to which banks use customer deposits to provide loans. According to Kasmir, (2019) Loan to Deposit Ratio is a ratio to measure the composition of the amount of credit provided compared to public funds and equity used. Suboptimal credit growth is reflected in the LDR (Loan to Deposit Ratio) values. The results of research conducted by Aji & Manda (2021), Tenriola (2019), Bella (2022), Sianturi, C., & Rahadian, D. (2020) found that LDR (Loan to Deposit Ratio) has a significant impact on ROA (Return on Assets) in a detrimental direction. Santoso (2021) stated that LDR is known to have an insignificant impact and tends to be negative on ROA.

According to Purwoko & Sudiyanto (2013) Net Interest Margin (NIM) is a comparison between two things, namely net interest income on productive assets. NIM (Net Interest Margin) is used to measure a bank's efficiency and profitability in managing interest operations, providing an indication of how efficiently the bank generates net income from the difference between income and interest costs. Santoso (2021), Sianturi, C., & Rahadian, D. (2020) stated that Net Interest Margin (NIM) has a significant positive impact on Return on Assets (ROA). Furthermore, Dewi (2018) Net Interest Margin (NIM) has a negative effect on ROA (Return on Assets) and is not significant.

Profitability in the banking industry can be measured through the use of ROA (Return On Asset). The selection of ROA (Return On Asset) as a performance measure in the banking industry is based on fundamental considerations. ROA provides information on the extent to which assets are managed efficiently, emphasizing the company's core operating income. A consistent ROA level reflects the company's ability to cope with economic fluctuations, while as an internal monitoring tool, ROA helps in evaluating the company's progress and identifying potential areas for operational efficiency improvements. By considering these factors, ROA becomes a comprehensive and relevant performance measure in the analysis of the financial health of a banking company.Thus, the selection of objects in the form of state-owned banks in the aim of this research is to find out more about the factors that influence banking profitability in Indonesia. and help improve the efficiency and stability of the banking sector.

The uniqueness of this research lies in the focus specifically aimed at analyzing factors such as CAR, NPL, LDR and NIM, as well as their influence on the level of profitability (ROA) in state-owned banks listed on the Indonesia Stock Exchange (BEI) during the 2011- 2022.

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This research is expected to provide an important contribution to the understanding of financial performance and the factors that influence the profitability of state-owned banks.
The main objective of this research is to analyze the influence of specific factors, namely Capital Adequacy Ratio (CAR), Non-Performing Loans (NPL), Loan to Deposit Ratio (LDR), and Net Interest Margin (NIM), on the level of profitability (ROA) corresponds to state-owned banks registered on the IDX for the 2011-2022 period. Through this analysis, the research aims to: (1) examine the influence of Capital Adequacy Ratio (CAR) on profitability (ROA). (2) To examine the effect of Non-Performing Loans (NPL) on profitability (ROA). (3) To examine the effect of Loan to Deposit Ratio (LDR) on profitability (ROA). (4) To examine the effect of Net Interest Margin (NIM) on profitability (ROA).

Hypothesis

Based on the analysis of the problems identified, the research objectives set, the theoretical basis used, the results of previous research that has been investigated, and the framework of thought that has been built, the hypothesis proposed in this research is as follows:

H1: It is suspected that the Capital Adequacy Ratio (CAR) has an effect on profitability (ROA)
H2: It is suspected that Non-Performing Loans (NPL) have an effect on profitability (ROA)
H3: It is suspected that the Loan to Deposit Ratio (LDR) has an effect on profitability (ROA)
H4: It is suspected that Net Interest Margin (NIM) has an effect on profitability (ROA).

RESEARCH METHOD

This research was carried out by collecting and analyzing financial data from government-owned banks (BUMN) listed on the Indonesia Stock Exchange (BEI) during the 2011-2022 period. The analysis process includes data collection, data processing and analysis, as well as interpretation and writing of research reports for 2024. Data collection locations are from the official websites of each state-owned bank, the Indonesian Stock Exchange (BEI), and the Financial Services Authority (OJK).

This research uses a quantitative approach with descriptive and causal research types. According to Sugiyono (2017), the quantitative descriptive research method aims to describe a phenomenon, event, symptom and event that occurs factually, systematically and accurately. Phenomena can take the form of forms, activities, relationships, characteristics as well as similarities and differences between phenomena.

The data source for this research uses secondary data. Sugiyono (2017) states that secondary data is a source that does not directly provide data to data collectors. Accessing and analyzing financial reports, annual reports and other data from state-owned banks listed on the Indonesia Stock Exchange (BEI) is a secondary data collection technique.

The population in this study are all state-owned banks (State-Owned Enterprise Banks) listed on the Indonesia Stock Exchange (BEI) including Bank Negara Indonesia (BBNI), Bank Rakyat Indonesia (BBRI), Bank Tabungan Negara (BBTN), and Bank Mandiri (BMRI) with a research period of 2011-2022.

Saturated samples were used to take samples from four state-owned banks: BBNI, BBRI, BBTN, and BMRI. According to Sugiyono (2017) saturated sampling is a technique for taking or collecting samples in a population, if all members of the population are used as samples in research. In the latest research, the period used was from 2011 to 2022, 48 data were obtained.

The data collection technique in this research uses secondary data or documentation, which is a way to collect information from existing sources. Accessing and analyzing financial reports, annual reports and other data from state-owned banks listed on the Indonesia Stock Exchange (BEI).

Data analysis is an important step in processing the collected data, where the goal is to provide interpretation and produce relevant output. This study uses descriptive and causal. to measure the effect of capital adequacy ratio (CAR), non-performing loans (NPL), loan to deposit ratio (LDR), and net interest margin (NIM) on profitability (ROA). In analyzing the data, this study uses multiple linear regression analysis, prerequisite tests (classical assumption tests) consisting of normality tests, multicollinearity tests, heteroscedasticity tests, and autocorrelation tests. Furthermore, this study also uses simultaneous testing (F test) and partial testing (t test)

RESULTS AND DISCUSSION

Research Result

Data Analysis Results

Descriptive Data Analysis

Table 2. Description of Statistical Data

Descriptive Statistics					
Variabel	N	Minimum	Maximum	Mean	Std. Deviation
CAR	48	14.64	25.28	18.7967	2.53627
NPL	48	.26	3.12	1.0579	.77351
LDR	48	1.04	113.50	87.1569	16.05000
NIM	48	3.06	9.58	5.8321	1.40442
ROA	48	.13	5.15	2.6921	1.19971
Valid N (listwise)	48				

Source: Processed data (2024)

Based on table 2, the following output is obtained:

1) Capital Adequacy Ratio (CAR)
   The average value of the CAR variable is 18.7967, with the basic and highest quality lying in the range of 14.64 and 25.28, so the standard deviation is 2.53627.
2) Non-Performing Loans (NPL)
   The minimum and maximum NPL values range from 0.26 to 3.12, while the average value is 1.0579. The standard deviation value is 0.77351 for the NPL variable.
3) Loan to Deposit Ratio (LDR)

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The LDR variable has an average value of 87.1569, the minimum to maximum range is between 1.04 and 113.50. The LDR standard deviation is 16.05000.

4) Net Interest Margin (NIM).
   The NIM variable has a standard deviation of 1.40442, an average value of 5.8321, a range of 3.06 to 9.58, and a minimum to maximum value of 3.06.
5) Profitability (ROA).
   The ROA value is clearly visible at 2.6921. Meanwhile, the ROA variable has a standard deviation of 1.19971 with minimum and maximum values ranging from 0.13 to 5.15.

Classic assumption test

Normality Test

The normality testing method in this research uses normal probability plots and histogram graphs.

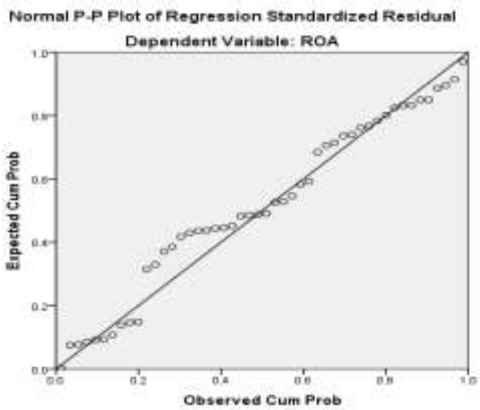

Figure 1. Normality Test
Source: Processed data (2024)

From the results of the Normal Probability Plots, it can be seen that the distribution of the observed data tends to be normal data or the points spread around the diagonal line means that the data studied is normal.

Multicollinearity Test

Table 3. Multicollinearity Test

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	-.115	.751		-.153	.879		
	CAR	-.054	.027	-.113	-1.977	.054	.975	1.025
	NPL	-.647	.111	-.417	-5.813	.000	.623	1.605
	LDR	.009	.005	.126	1.859	.070	.694	1.440
	NIM	.630	.053	.738	11.866	.000	.830	1.204

Coefficients[a]

a. Dependent Variable: ROA

Source: Processed data (2024)

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Based on the table above, it can be concluded that multicollinearity does not occur because the Tolerance = CAR (0.975), NPL (0.623), LDR (0.694), and NIM (0.830) values > 0.10 and VIF = CAR (1.025), NPL (1.605), LDR (1.440), and NIM (1.204) < 10, it can be concluded that the regression model of the influence of the independent variables namely CAR, NPL, LDR and NIM on ROA does not occur multicollinearity because all these values meet the significance standards, namely Tolerance > 0.10 and VIF < 10.00.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another observation Ghozali (2018). One method for determining the presence of heteroscedasticity is through scatterplot analysis. The results of the heteroscedasticity test in this review will be seen in the following figure.

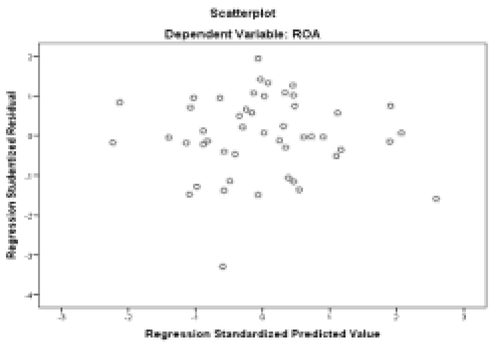

Figure 2. Heteroscedasticity Test

Source: Processed data (2024)

The basis for decision making is that if a certain pattern, such as dots spread below and above the number 0 on the existing Y axis, forms a certain regular pattern, then heteroscedasticity occurs.

Based on Figure 2 above, these points have a distribution around the zero line on the Y axis and are distributed randomly without forming a clear pattern. From this analysis, it can be concluded that this regression model does not show signs of heteroscedasticity.

Autocorrelation Test

Table 4. Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.928a	.862	.849	.46615	1.835

a. Predictors: (Constant), CAR, LDR, NPL, NIM

b. Dependent Variable: ROA

Source: Processed data (2024)

b. Dependent Variable: ROA

Table 4 shows that the Adjusted R Square value in this study is 0.862, which means that 86.2% of the Return On Asset variable can be explained by independent variables (CAR,

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NPL, LDR and NIM), while the remainder (13.8%) is likely explained by other factors outside the model, for example inflation, exchange rates, interest rates and so on.

Multiple Linear Regression Analysis

Table 5. Multiple Linear Regression Test

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.115	.751		-.153	.879		
	CAR	-.054	.027	-.113	-1.977	.054	.975	1.025
	NPL	-.647	.111	-.417	-5.813	.000	.623	1.605
	LDR	.009	.005	.126	1.859	.070	.694	1.440
	NIM	.630	.053	.738	11.866	.000	.830	1.204

a. Dependent Variable: ROA

Source: Processed data (2024)

Multiple regression analysis to determine the pattern of relationship between the dependent variable (ROA) and the independent variables (CAR, NPL, LDR, and NIM). Based on table 5, the relationship between each independent variable and the dependent variable can be formulated as follows:

$$ROA = --0.115 - -0.054CAR - -0.647NPL + 0.009LDR + 0.630NIM + \varepsilon$$

The influence on profitability of each independent variable can be described as follows.

a. The constant of -0.115 states that if the CAR, NPL, LDR and NIM values are assumed to be constant, then ROA increases by 0.115%
b. The CAR regression coefficient is -0.054, indicating that every 1% increase in CAR will increase Return on Assets (ROA) by 0.054%.
c. The NPL regression coefficient is -0.647, indicating that every 1% increase in NPL will reduce Return on Assets (ROA) by 0.647%.
d. The LDR regression coefficient is 0.009, indicating that every 1% increase in LDR will reduce Return on Assets (ROA) by 0.009%.
e. The NIM regression coefficient is 0.630, indicating that every 1% increase in NIM will increase Return on Assets (ROA) by 0.630%.

Simultaneous Test (F Test)

Table 6. ANNOVA F Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	58.304	4	14.576	67.079	.000[b]
	Residual	9.344	43	.217		
	Total	67.648	47			

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

Source: Processed data (2024)

From the calculated F results in the ANOVA table, it shows that the sig.F value of 0.000 is smaller than the significance level α=5%. Because sig. f < α then it is concluded that the regression model can be used to estimate the dependent variable. These results show that CAR, NPL, LDR and NIM simultaneously influence ROA.

Partial Test (t)

Table 7. T Test

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	-.115	.751		-.153	.879		
	CAR	-.054	.027	-.113	-1.977	.054	.975	1.025
	NPL	-.647	.111	-.417	-5.813	.000	.623	1.605
	LDR	.009	.005	.126	1.859	.070	.694	1.440
	NIM	.630	.053	.738	11.866	.000	.830	1.204

Coefficients[a]

a. Dependent Variable: ROA

Source: Processed data (2024)

The hypothesis in the first t test is:

H1: It is suspected that the Capital Adequacy Ratio (CAR) has an effect on profitability (ROA)

Based on the results of partial testing with the t test, it was found that the significance value (Sig.) of CAR was 0.054 > 0.05. Thus, hypothesis H1 is not accepted (rejected), which indicates that "Capital Adequacy Ratio has no effect on profitability (ROA)"

The hypothesis in the second t test is

H2: It is suspected that Non-Performing Loans (NPL) have an effect on profitability (ROA)

Based on the results of partial testing with the t test, it was found that the significance value (Sig.) of NPL had a significant value lower than 0.05. Thus, hypothesis H2 can be accepted, indicating that there is sufficient evidence to support the assumption that "Non-Performing Loans (NPL) has an impact on profitability (ROA)".

The hypothesis in the third t test is

H3: It is suspected that the Loan to Deposit Ratio (LDR) has an effect on profitability (ROA)

Based on the results of partial testing with the t test, it was found that the significance value (Sig.) of LDR was 0.070 > 0.05. Therefore, hypothesis H3 is not accepted, which indicates that there is not enough evidence to support hypothesis H3 that "Loan to Deposit Ratio (LDR) has no effect on profitability (ROA)".

The hypothesis in the fourth t test is

H4: It is suspected that Net Interest Margin (NIM) has an effect on profitability (ROA)

Based on the results of partial testing using the t test, it was found that the significance value (Sig.) of NIM was 0.000 < 0.05. As a result, hypothesis H4 can be accepted, indicating that there is sufficient evidence to support the hypothesis that "Net Interest Margin (NIM) has an effect on profitability (ROA)".

Discussion

Effect of CAR on Profitability (ROA)

The analysis results show that the level of profitability (ROA) is not significantly influenced by the Capital Adequacy Ratio (CAR). The significance value (Sig.) of CAR is greater than 0.05%, indicating that the level of capital adequacy does not have a statistically significant impact on Return on Assets (ROA). This phenomenon shows how capital management and funding structures, although important for meeting regulatory requirements and managing liquidity risks, may not be the main factors in directly increasing profitability.

External factors such as market conditions and regulatory changes can also influence the relationship between CAR and ROA, highlighting the complexity of managing the balance between capital and profitability in a dynamic banking context. An increase in the Capital Adequacy Index (CAR) increases the bank's capacity to bear the risk of any risky loans or productive assets. A high CAR level indicates greater capital adequacy to withstand the impact of non-performing loans. This condition strengthens public confidence in banking and can potentially increase Return on Assets (ROA).

Effect of NPL on Profitability (ROA)

Non-Performing Loans (NPL) have a significant influence on profitability (ROA). The significance value (Sig.) of NPL < 0.05%, which means that the level of non-performing loans has a significant impact on the Return on Assets (ROA) of state-owned banks.

This statement indicates that NPLs indicate a high risk to the bank's asset quality, which can reduce interest income from problematic loans and increase security costs. Effective risk management in managing NPLs, including careful credit evaluation, efficient recovery strategies, and active monitoring of the credit portfolio, is considered crucial in reducing the negative impact on ROA. In addition, regulations that require banks to maintain low NPL levels also play an important role in maintaining bank financial health. In an unstable economic context, NPL levels can be influenced by poor macroeconomic conditions, which then affect overall ROA. Thus, acceptance of this hypothesis underlines the importance of proactive risk management and compliance with regulations in supporting optimal financial performance for state-owned banks.

Effect of LDR on Profitability (ROA)

Loan to Deposit Ratio (LDR) does not have a significant effect on profitability (ROA). Based on the results of partial testing with the t test, it was found that the significance value (Sig.) of LDR was 0.070 > 0.05. This indicates that Return on Assets (ROA) is not influenced by the Loan to Deposit Ratio (LDR).

This shows that in the state-owned banks in the concentrated period there was not enough factual evidence to support the critical relationship between LDR and ROA. The rejection of this hypothesis could be due to the complexity of things that influence banking financial performance, such as effective risk management strategies, changing market dynamics, as well as strategic choices in fund management and loan allocation.

Effect of NIM on Profitability (ROA)

Net Interest Margin (NIM) is proven to have a significant impact on profitability (ROA) with a significance value (Sig.) of less than 0.05%. These findings indicate that net interest margin plays an important role in determining the level of profitability of state-owned banks in the research period.

These findings indicate that NIM plays a crucial role in determining the level of profitability of state-owned banks during the research period. The argument for accepting this hypothesis is based on the fact that NIM is the main indicator of the efficiency of managing bank assets and liabilities, which directly influences the net interest income generated. Banks with higher NIM tend to have the ability to increase ROA through greater interest income. In addition, effective risk management and adaptation to changing economic and market conditions play a role in maintaining or increasing NIM, which in turn supports better financial performance for banks.

Reflection Of Tawid

Capital Adequacy Ratio (CAR)

The definition of Capital Adequacy Ratio (CAR) is a measure of capital adequacy in banking, which can be seen from the perspective of deep Islamic faith. In the Al-Qur'an Surah Al-Baqarah [2:267] Allah SWT has said about Blessings and Wise Arrangements:

"O you who believe, spend (in the way of Allah) a portion of the good results of your efforts and a portion of what We bring out from the earth for you. And do not choose the bad things and then make a living from them, even though you I don't want to take it myself but with narrowed (eyes)."

This verse teaches the importance of managing and allocating resources wisely, including in terms of Capital Adequacy Ratio (CAR) capital management. In the banking business, CAR reflects the capital strength that a bank has in facing risks and managing its liquidity. This verse reminds us to use the resources that Allah has given us in a good and blessed way, and to avoid careless or detrimental actions. By implementing these principles, banks can ensure the sustainability and resilience of healthy operations, in line with the values of justice and blessings in Islam.

Non-Performing Loans (NPL)

Non Performing Loans (NPL) is a financial indicator in banking that shows loans that fail to be repaid on time, can be seen from an Islamic perspective which teaches ethical values, responsibility and justice. Allah SWT has said in the Al-Qur'an Surah An-Nisa [4:58] Verse about Obligations in Carrying Out Trust:

"Indeed, Allah commands you to convey trust to those who are entitled to receive it, and (commands) when you determine a law between people, you must determine it fairly. Indeed, Allah gives you the best lesson regarding what you should do. Indeed, Allah is Most High All-Hearing, All-Seeing."

This verse emphasizes carrying out the mandate well and fairly. In the NPL context, banks have the mandate to manage customer funds carefully and fairly, and are responsible for providing credit to parties who meet the requirements. Managing NPLs well is also part of this mandate, because banks need to take wise action to resolve problem loans without harming other parties and teach the principles of justice, integrity and responsibility in every action, including in financial and business management. By following these guidelines, it is hoped that banks can carry out their activities with full blessings and receive the pleasure of Allah SWT.

Loan to Deposit Ratio (LDR)

Loan to Deposit Ratio (LDR), which is a ratio that shows how much loans a bank provides compared to the amount of deposits it receives, can be seen from the perspective of justice, responsibility and blessings in financial management according to Islamic teachings. In the Al-Qur'an Surah Al-Baqarah [2:282] Allah SWT says about Responsibility in Managing Trust.

"O you who believe! If you make debts (transactions) for the specified time, you should write them down (record and book them). And let a writer among you write it correctly. Let the writer not refuse to write it as Allah has taught him, so let him write it. And let the person who owes it dictate, and let him fear Allah, his Lord, and let him not deduct anything from it. Furthermore, in the next paragraph it is stated that: "..... and don't get bored of writing it, for the time limit (of the debt) whether small or large. That is more just in the sight of Allah, more able to strengthen the testimony and bring you closer to no doubt, unless it is a cash trade carried out between you, then there is no sin for you if you do not write it down.

This paragraph emphasizes the obligation to carry out the mandate with full responsibility, including managing financial transactions fairly and maintaining integrity, which is relevant in the context of the Loan to Deposit Ratio (LDR) in the banking industry.

Net Interest Margin (NIM)

Net Interest Margin (NIM), is the comparison between interest income obtained from loans and investments with interest costs paid on savings, can be considered in the context of Islamic values which teach fairness, transparency and ethics in financial management. In the Al-Qur'an Surah Al-Mu'minun [23:8] Allah SWT has said about Fair and Mutually Profitable Transactions:

"And those who keep their mandates and their promises, and those who keep (their) prayers are the heirs (who will occupy places of honor). Those who will inherit Paradise, they will remain eternal in inside."

This verse emphasizes the importance of maintaining trust and promises, as well as carrying out transactions with honesty and integrity. In the context of NIM, banks must ensure that banking practices, including interest and margin management, are carried out in a fair and beneficial manner for all parties involved and remind them of the importance of adhering to the principles of fairness and integrity in all aspects of life, including in business and management. finance. By carrying out practices in accordance with Islamic teachings, it is hoped that every transaction and asset management can produce real benefits and blessings from Allah SWT.

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Profitability (ROA)

Return on Assets (ROA), which is a measure of profitability that reflects the efficiency of using assets in generating profits, can be evaluated from the perspective of Islamic values which emphasize justice and transparency, and moral objectives in financial management. In the Al-Qur'an Surah Al-A'raf [7:32], Allah SWT has said, Verse about Asset Management and Blessings:

"Say: 'Who has forbidden Allah's ornaments which He has provided for His servants and the good things from his sustenance?' Say: 'This jewelry is specifically for those who believe in the life of this world, (especially) on the Day of Resurrection.' Thus We explain the signs (of Allah's power) for those who know."

This verse emphasizes that the blessings and jewelry that Allah gives must be appreciated and put to good use by His servants. In the context of ROA, this reminds us to manage assets and wealth in a way that is beneficial, fair, and produces blessings and teaches us the importance of treating wealth and assets with justice, integrity, and with good intentions to seek blessings from Allah. In the context of business and financial management, this is a guide for avoiding practices that are detrimental or unhelpful, as well as making ROA an instrument for achieving goals that are in line with Islamic values.

CONCLUSION

Based on data evaluation and analysis of research results regarding the influence of Capital Adequacy Ratio (CAR), Non-Performing Loans (NPL), Loan to Deposit Ratio (LDR), and Net Interest Margin (NIM) on the level of profitability (ROA) in registered state-owned banks on the IDX during the 2011-2022 period, the following conclusions were obtained: 1. Based on the results of hypothesis testing, the Capital Adequacy Ratio (CAR) of t-calculation found that the significance value (Sig.) of CAR was 0.054 > 0.05. obtained from the financial report data of BUMN Banks for the last 12 years starting from 2011-2022 for BUMN Banks does not have a significant impact on the bank's Return On Assets (ROA). 2. Based on the results of hypothesis testing, Non-Performing Lons (NPL) of t-count, it was found that the significance value (Sig.) of NPL was 0.000 < 0.05. obtained from the financial report data of BUMN Banks for the last 12 years starting from 2011-2022 for BUMN Banks which indicates that "Non-Performing Loans (NPL) has an effect on profitability (ROA)". 3. Based on the results of hypothesis testing, Loan to Deposit Ratio (LDR) based on partial test results with the t test, it was found that the significance value (Sig.) of LDR was 0.070 > 0.05. obtained from the financial report data of BUMN Banks for the last 12 years starting from 2011-2022 for BUMN Banks which indicates that "Loan to Deposit Ratio (LDR) has no effect on profitability (ROA)". 4. Based on the results of hypothesis testing, Net Interest Margin (NIM) Based on partial test results using the t test, it was found that the significance value (Sig.) of NIM was 0.000 < 0.05. obtained from the financial report data of BUMN Banks for the last 12 years starting from 2011-2022 for BUMN Banks which indicates that as a result, "Net Interest Margin (NIM) has an effect on profitability (ROA)".

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