



Published by:

International Office, Universitas Pendidikan Nasional, Jalan Bedugul No. 39, Sidakarya, Denpasar, Bali, Indonesia
Email: journal.revenue@undiknas.ac.id Website: <https://journal.undiknas.ac.id/index.php/REVENUE>

p-ISSN : 2723-4584
e-ISSN : 2962-4819

The influence of ROA, ROE, LDR, and NPL on company value in banking sub-sector companies' period 2016-2018

Budi Shantika¹, Caren Angellina Mimaki²

ABSTRACT

This study aimed to determine whether the return on assets, return on equity, loan-to-deposit ratio, and non-performing loans affect the value of the company in Bank N gara Indonesia and Bank Rakyat Indonesia in the 2016-2018 period. The data collection technique used documentation in the form of an annual report of the company BNI Bank and BRI Bank 2016-2018 period. The analytical method used was quantitative analysis which was multiple linear regression analysis using the IBM SPSS statistical test 22. The t-test results at Bank BNI showed that Return on Assets (X1) had no significant negative effect, Return on Equity (X2) had no significant positive effect, Loan to deposit ratio (X3) had negative and significant effect, and non-performing loan (X4) had negative and insignificant effect. The t-test results at BRI showed that Return on Assets (X1) had a significant negative effect, Return on Equity (X2) had no significant positive effect, Loan to Deposit Ratio (X3) had a negative and significant effect, and Non-Performing Loans (X4) had positive and significant effect.

Keywords: Return on Assets (ROA), Return on Equity (ROE), Loan to Deposit Ratio (LDR), Non-Performing Loan (NPL)

Affiliation

¹Facult  De Tourisme

Universit  d'Angers France

Esthua, Facult  de tourisme, culture et hospitalit  7 All. Fran ois Mitterrand, 49100 Angers, France

Email: budi.shantika@etud.univ-angers.fr

²Faculty of Economics and Business

Universitas Pendidikan Nasional

Jl. Bedugul No.39 Sidakarya, Denpasar, Indonesia

Email: caren.angelina21@gmail.com

Introduction

In the modern era, such as the present, saving and investing a significant portion of one's funds have become obligations to ensure well-being in old age. Banks have become a place or means for investors or customers to allocate their funds (Pandoyo and Samsudin, 2020 and Sunaryo et al., 2022). This is because the banking sector serves as a business entity with the primary function of being a financial intermediary between parties that have funds (Wiadnyani and Artini, 2023). The funds gathered from the public are then transformed into deposits and channelled back in the form of credit or other forms for individuals in need of loans. Several factors influence investors in choosing to invest in a bank, including the company's value assessed based on key performance indicators such as ROA (Return on Assets), ROE (Return on Equity), LDR (Loan to Deposit Ratio), and NPL (Non-Performing Loans). According to Sujoko and Soebiantoro (2007), the company's value reflects investors' perceptions of the success level of a company, as seen through its stock price.

In 2017-2019 financial year, the company value, especially the banking sector companies, fluctuated and tended to decrease from time to time (Simanullang et al., 2021). It is a perception held by the public regarding the credibility of a company. The higher the value of a company, the better its reputation in the eyes of the public, and the more investors are likely to be interested in investing their capital in that company (Ikhsan and Jumono, 2022). Return on Assets (ROA) is a ratio used to assess the extent to which investments have been able to provide the expected returns for the company (Fahmi, 2015). This is supported by the theory of Harmono (2009), which states that ROA has a causal relationship with the Company Value through indicators such as stock prices and the company's capital structure concerning the extent of the company's debt composition. Return on Equity (ROE) is a ratio used to indicate the efficiency of using one's capital (Kasmir, 2016). This is supported by the theory of Brigham and Houston (2010), which states that a high ROE value has a positive correlation with a high stock price. Loan to Deposit Ratio (LDR) is a ratio used to measure the liquidity level of a bank by dividing total loans by third-party funds and its capital used (Kasmir, 2016). The higher the LDR ratio, the higher the bank's profit is likely to increase. With increased bank profits, the financial performance of the bank is also expected to improve.

Non-Performing Loan (NPL) is a ratio used to calculate a bank's ability to cover the risk of loan defaults by borrowers (Kasmir, 2015). A bank is said to have a high NPL value if the amount of problematic loans is greater than the total amount of loans given to borrowers. When a bank has a high NPL value, it will increase costs, including the costs of provisioning for productive assets and other expenses. Therefore, if a bank's NPL value is higher, it can disrupt the financial performance of the bank (Masyhud, 2006).

This research aims to determine the simultaneous influence of Return on Assets, Return on Equity, Loan to Deposit Ratio, and Non-Performing Loan on Company Value in Bank Negara Indonesia and Bank Rakyat Indonesia. It also aims to examine the partial influence of Return on Assets on Company Value in Bank Negara Indonesia and Bank Rakyat Indonesia, the partial influence of Return on Equity on Company Value in Bank Negara Indonesia and Bank Rakyat Indonesia, the partial influence of Loan to Deposit Ratio on Company Value in Bank Negara Indonesia and Bank Rakyat Indonesia, and the partial influence of Non-Performing Loan on Company Value in Bank Negara Indonesia and Bank Rakyat Indonesia.

LITERATURE REVIEWS

Return On Assets

Return on Assets (ROA) is a ratio used to assess the extent to which investments have been able to provide the expected returns for the company (Fahmi, 2015). Harmono (2009) also states that ROA has a causal relationship with Company Value. Return on assets (ROA) has been used in industry for financial ratios since at least 1919. Educators' and practitioners' importance on ROA can be seen in three ways. Return on Assets (ROA) is a pivotal financial metric with widespread use and significance in various aspects of economic analysis. In a specific study, ROA ranked as the third most presented positive correlate among 77 textbooks, surpassing other common ratios like the current and inventory turnover ratios. ROA is frequently employed in studies aimed at predicting business failure. Second, the original Altman Z-Score, a renowned model for predicting business failure, includes ROA as one of its five factors. The Altman version uses Earnings Before Interest and Taxes / Total Assets (EBIT / TA). Beaver (1966) also utilized ROA in predicting business failure, with a version defined as Net Income / Total Assets (NI / TA). Hossari and Rahman (2005) conducted a comprehensive study ranking the popularity of financial ratios in failure prediction studies, and the Net Income / Total Assets (NI / TA) version of ROA stood out as the most common ratio. Third, financial analysts frequently leverage ROA to assess a firm's financial position, performance, and prospects. Gibson (2013) surveyed Chartered Financial Analysts, revealing that various versions of ROA were considered essential measures of profitability. Each version was selected by at least 90% of the CFA respondents, underscoring its widespread acceptance among financial professionals. In summary, ROA is a versatile metric central to financial education, predictive modeling for business failure, and practical applications by financial analysts. Its consistent appearance in textbooks, predictive models, and surveys attests to its importance as a critical indicator of a company's financial health and profitability. Solihati (2020) stated that the ratio of Return on Assets (ROA) is one of the main elements assessed in determining the soundness of a bank and commonly used in measuring bank profit.

Return on Equity

Return on Equity (ROE) is a ratio used to indicate the efficiency of using one's capital (Kasmir, 2016). This is further supported by Brigham and Houston's (2010) theory, which states that a high ROE value positively correlates with a high stock price. The relationship between a company's financial performance and its stock prices, as well as the significance of the Return on Equity (ROE) ratio in evaluating a company's use of resources to generate returns for its shareholders, high and low stock prices, are considered indicators of a company's financial performance. A sound financial record and positive financial performance will likely attract investor interest, as it signals potential benefits for investors. ROE is a critical financial ratio that assesses the

efficiency with which a company utilizes its resources to generate shareholder returns. According to Harjito and Martono (2012), ROE explicitly measures the proportion of profit that belongs to the owners concerning their capital. The concept of ROE underscores the idea that a company's profit represents the owner's (shareholders) right to a portion of that profit. This ratio provides insights into how effectively a company utilizes its equity to generate profits, and it is a critical metric for assessing financial performance from an ownership perspective (Languju et al., 2016).

Loan to Deposit Ratio

Loan Deposit Ratio (LDR) is a ratio used to measure the liquidity level of a bank by dividing total loans by third-party funds and the capital used (Kasmir, 2016). The higher the LDR ratio, the higher the potential profit for the bank. With increased bank profits, the bank's financial performance is also expected to improve. The relationship between liquidity, short-term obligations, and the Loan Deposit Ratio (LDR) in a company or a bank context. Liquidity is defined as the ability of a company to meet its short-term obligations and significantly matured debt. It emphasizes the company's capacity to repay debts promptly when billed. LDR is described as a metric reflecting the ability of banks to repay funds withdrawals made by depositors. It indicates how far credit is extended to credit customers and whether the bank can fulfill the withdrawal requests of depositors by relying on loans as a source of liquidity (Puteh & Malikusaleh, 2016).

Non-Performing Loan

A non-performing loan (NPL) is a ratio used to calculate a bank's ability to cover the risk of loan defaults by borrowers (Kasmir, 2015). Performing loans (NPLs) are crucial in assessing a bank's functional performance. Non-performing loans (NPL) are a key indicator in evaluating a bank's functional performance. A high NPL value can indicate potential issues in the bank's management of its business (Pradnyawati et al., 2023). It leads to liquidity problems such as the inability to pay third parties, non-billable debt, and reduced capital (solvency). High NPL values can be an overview of the bank's failure to manage its business effectively, resulting in various challenges, including reduced rentability and falling profits. Falling profits are noted as a consequence of losing sources of income, coupled with the need to set aside reserves based on credit collectibility. According to Raditya and Ritha (2013), a higher NPL can lead to a decrease in the bank's channeled loans. The more significant number of non-performing loans is seen as a factor that could result in losses for the bank in its operational activities, impacting the bank's intermediation function (Raditya & Ritha, 2013).

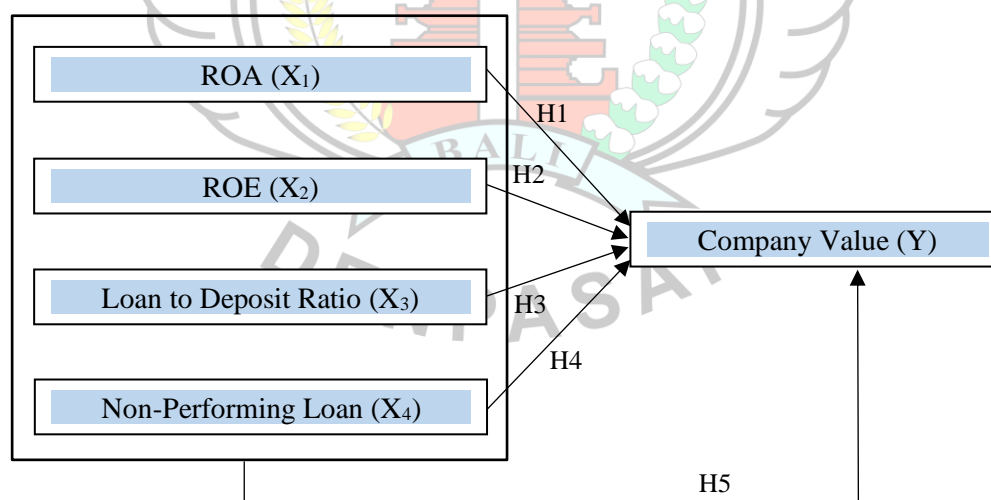


FIGURE 1. Conceptual Framework

Hypothesis

H1: ROA has a significant influence on the Company Value of Bank Negara Indonesia and Bank Rakyat Indonesia.

H2: ROE has a significant influence on the Company Value of Bank Negara Indonesia and Bank Rakyat Indonesia.

H3: LDR has a significant influence on the Company Value of Bank Negara Indonesia and Bank Rakyat Indonesia.

H4: NPL has a significant influence on the Company Value of Bank Negara Indonesia and Bank Rakyat Indonesia.

H5: ROA, ROE, LDR, and NPL have a significant influence on the Company Value of Bank Negara Indonesia

and Bank Rakyat Indonesia.

METHODS

The location for this research is the researcher's use of Bank Negara Indonesia and Bank Rakyat Indonesia. The reason for choosing Bank BRI and Bank BNI in this study is that both banks are state-owned, with some of their shares owned by the public. Therefore, the purpose of this research is to compare the company values of these two banks. The technique used for data collection in this research is documentation. The type of data used in this research is quantitative data. The data analysis method employed in this research includes classical assumption tests and multiple linear regression analysis using the SPSS 22.0 application.

RESULTS AND DISCUSSION

RESULTS

The Classical Assumption Test

The Normality Test

This study conducted a normality test on both Bank Negara Indonesia and Bank Rakyat Indonesia. Based on the test results for Bank BNI, it can be explained that the One-Sample Kolmogorov-Smirnov Test yielded an asymptotic significance value of > 0.05 ($0.200 > 0.05$). It can be concluded that the regression model meets the normality assumption. Furthermore, based on the test results for Bank BRI, it is explained that the One-Sample Kolmogorov-Smirnov Test yielded an asymptotic significance value of > 0.05 ($0.200 > 0.05$). It can be concluded that the regression model meets the normality assumption.

Autocorrelation Test

This study conducted an autocorrelation test on both banks, namely Bank Negara Indonesia and Bank Rakyat Indonesia. Based on the test results, the Durbin-Watson (DW) value for Bank BNI is 0.918. The result of Durbin-Watson $0.918 < 2$, which means that the null hypothesis (H_0) stating that there is no autocorrelation for Return on Asset, Return on Equity, Loan to Deposit Ratio, and Non-Performing Loan in Bank BNI cannot be rejected. Similarly, based on the test results for Bank BRI, the Durbin-Watson (DW) value is 1.809. The result of Durbin-Watson $1.809 < 2$, indicates that the null hypothesis (H_0) stating that there is no autocorrelation for Return on Asset, Return on Equity, Loan to Deposit Ratio, and Non-Performing Loan in Bank BRI cannot be rejected.

Multicollinearity Test

This study conducted a multicollinearity test on both Bank Negara Indonesia and Bank Rakyat Indonesia by examining the calculated values of tolerance and variance inflation factor (VIF). Based on the test results for Bank BNI, the tolerance values for the variables ROA, ROE, Loan to Deposit Ratio, and Non-Performing Loan are 0.809, 0.807, 0.595, and 0.501, respectively. The tolerance values for these variables are all greater than 0.1, and the VIF values for ROA, ROE, Loan to Deposit Ratio, and Non-Performing Loan are 1.237, 1.240, 1.682, and 1.996, respectively, all of which are less than 10. Based on these values, it can be concluded that there is no multicollinearity issue in the regression model for Bank BNI. This means that the regression model is good because the variables ROA, ROE, Loan to Deposit Ratio, and Non-Performing Loan do not have high correlations.

Similarly, based on the test results for Bank BRI, the tolerance values for the variables ROA, ROE, Loan to Deposit Ratio, and Non-Performing Loan are 0.329, 0.331, 0.723, and 0.684, respectively. The tolerance values for these variables are all greater than 0.1, and the VIF values for ROA, ROE, Loan to Deposit Ratio, and Non-Performing Loan are 3.710, 2.098, 1.382, and 1.461, respectively, all of which are less than 10. Therefore, it can be concluded that there is no multicollinearity issue in the regression model for Bank BRI. This implies that the regression model is good because the variables ROA, ROE, Loan to Deposit Ratio, and Non-Performing Loan do not have high correlations.

Heteroscedasticity Test

This study conducted a heteroscedasticity test on both Bank Negara Indonesia and Bank Rakyat Indonesia. Based on the results of the heteroscedasticity test for Bank BNI, the significance values obtained are 0.601, 0.297, 0.392, and 0.856. All these significance values are greater than 0.05, indicating that the regression model for Bank BNI does not contain heteroscedasticity.

Similarly, based on the results of the heteroscedasticity test for Bank BRI, the significance values obtained are 0.427, 0.435, 0.932, and 0.391. All these significance values are greater than 0.05, indicating that the regression model for Bank BRI does not contain heteroscedasticity.

Multiple Linear Regression Analysis

TABLE 1. The Results of Multiple Linear Regression Test for BNI

| Model | | Coefficients ^a | | | | | | | | | |
|-------|-----------------------|-----------------------------|------------|---------------------------|--------|------|--------------|---------|-------|-------------------------|-------|
| | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Correlations | | | Collinearity Statistics | |
| | | B | Std. Error | Beta | | | Zero-order | Partial | Part | Tolerance | VIF |
| 1 | (Constant) | 4.969 | 1.511 | | 3.288 | .003 | | | | | |
| | ROA | -.003 | 0.032 | -.014 | -.082 | .935 | .188 | -.015 | -.012 | .809 | 1.237 |
| | ROE | .017 | .009 | .321 | 1.943 | .061 | .339 | .330 | .289 | .807 | 1.240 |
| | Loan to Deposit Ratio | -.039 | .019 | .403 | -2.091 | .045 | -.445 | -.352 | -.310 | .595 | 1.682 |
| | Non-Performing Loan | -.028 | .078 | -.076 | -.360 | .721 | -.413 | -.065 | -.053 | .501 | 1.996 |

a. Dependent Variable: Company Value

Based on the above Table 1, the results of the multiple linear regression equation are as follows:

$$Y = 4,969 - 0,003 X_1 + 0,017 X_2 - 0,039 X_3 - 0,028 X_4$$

The regression equation can be explained as follows:

1. The constant value is negative at 4.969, meaning that if variables X1, X2, X3, and X4 are all equal to 0, then the value of variable Y is 4.969. This indicates that the Company Value variable will decrease when Return on Assets (ROA), Return on Equity (ROE), Loan to Deposit Ratio (LDR), and Non-Performing Loan (NPL) are held constant.
2. The regression coefficient for the ROA variable is negative at -0.003. This means that if the ROA variable is increased by 1 unit, the company value will decrease by -0.003.
3. The regression coefficient for the ROE variable is positive at 0.017. This means that if the ROE variable is increased by 1 unit, the company value will increase by 0.017.
4. The regression coefficient for the Loan to Deposit Ratio (LDR) variable is negative at -0.039. This means that if the LDR variable is increased by 1 unit, the company value will decrease by 0.039.
5. The regression coefficient for the Non-Performing Loan (NPL) variable is negative at -0.028. This means that if the NPL variable is increased by 1 unit, the company value will decrease by 0.028.

TABLE 2. The Results of the Multiple Linear Regression Equation Test for BRI

| Model | | Coefficients ^a | | | | | | | | | |
|-------|-----------------------|-----------------------------|------------|---------------------------|--------|------|--------------|---------|-------|-------------------------|-------|
| | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Correlations | | | Collinearity Statistics | |
| | | B | Std. Error | Beta | | | Zero-order | Partial | Part | Tolerance | VIF |
| 1 | (Constant) | 5.989 | 1.287 | | 4.654 | .000 | | | | | |
| | ROA | -.131 | .666 | -.425 | -.197 | .845 | -.046 | -.035 | -.024 | .329 | 3.710 |
| | ROE | .007 | .103 | .145 | .067 | .947 | -.053 | .012 | .008 | .331 | 2.098 |
| | Loan to Deposit Ratio | -.058 | .015 | -.549 | -3.778 | .001 | -.111 | -.561 | -.467 | .723 | 1.382 |
| | Non-Performing Loan | .443 | .078 | .847 | 5.664 | .000 | .534 | .713 | .701 | .684 | 1.461 |

a. Dependent Variable: Company Value

Based on the above Table 2, the results of the multiple linear regression equation are as follows:

$$Y = 5,989 - 0,131 X_1 + 0,007 X_2 - 0,058 X_3 + 0,443 X_4$$

The regression equation can be explained as follows:

1. The constant value is negative at 5.989, meaning that if variables X1, X2, X3, and X4 are all equal to 0, then the value of variable Y is 5.989. This indicates that the Company Value variable will decrease when Return on Assets (ROA), Return on Equity (ROE), Loan to Deposit Ratio (LDR), and Non-Performing Loan (NPL) are held constant.
2. The regression coefficient for the ROA variable is negative at -0.131. This means that if the ROA variable is increased by 1 unit, the company value will decrease by -0.131.
3. The regression coefficient for the ROE variable is positive at 0.007. This means that if the ROE variable is increased by 1 unit, the company value will increase by 0.007.
4. The regression coefficient for the Loan to Deposit Ratio (LDR) variable is negative at -0.058. This means that if the LDR variable is increased by 1 unit, the company value will decrease by 0.058.
5. The regression coefficient for the Non-Performing Loan (NPL) variable is negative at 0.443. This means that if the NPL variable is increased by 1 unit, the company value will increase by 0.443.

Hypothesis Testing

Analysis of the Coefficient of Determination

TABLE 3. Results of the Coefficient of Determination Test for BNI

| Model Summary ^b | | | | | |
|----------------------------|-------------------|----------|-------------------|----------------------------|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1 | .563 ^a | .317 | .228 | .19162 | .918 |

a. Predictors: (Constant), Non-Performing Loan, ROE, ROA, Loan to Deposit Ratio

b. Dependent Variable: Company Value

Table 3 shows that the value of R² is 0.317 (0.317 x 100% = 31.70%). This means that 31.70% of the company value is influenced by the variables ROA, ROE, Loan to Deposit Ratio, and Non-Performing Loan, while the remaining 68.30% (100% - 31.70% = 68.30%) of the company value is influenced by other variables not examined in this study.

TABLE 4. Results of the Coefficient of Determination Test for BRI

| Model Summary ^b | | | | | |
|----------------------------|-------------------|----------|-------------------|----------------------------|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1 | .725 ^a | .526 | .464 | .17757 | 1.809 |

a. Predictors: (Constant), Non-Performing Loan, ROE, ROA, Loan to Deposit Ratio

b. Dependent Variable: Company Value

Table 4 shows that the value of R² is 0.526 (0.526 x 100% = 52.60%). This means that 52.60% of the company value is influenced by the variables ROA, ROE, Loan to Deposit Ratio, and Non-Performing Loan, while the remaining 47.40% (100% - 52.60% = 47.40%) of the company value is influenced by other variables not examined in this study.

TABLE 5. Results of F-Test BNI

| ANOVA ^a | | | | | | |
|--------------------|------------|----------------|----|-------------|-------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | .527 | 4 | .132 | 3.590 | .016 ^b |
| | Residual | 1.138 | 31 | .037 | | |
| | Total | 1.665 | 35 | | | |

a. Dependent Variable: Company Value

b. Predictors: (Constant), Non-Performing Loan, ROE, ROA, Loan to Deposit Ratio

Table 5 shows that the calculated F value is 3.590 with a significance level of 0.016. Since the significance value (sig) is 0.016, which is less than 0.05, it can be concluded that simultaneously ROA, ROE, LDR, and NPL have a significant effect on the Company Value at Bank Negara Indonesia (BNI).

TABLE 6. Results of F-Test BRI

| ANOVA ^a | | | | | | |
|--------------------|------------|----------------|----|-------------|--------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 27.635 | 4 | 6.909 | 34.427 | .000 ^b |
| | Residual | 6.221 | 31 | .201 | | |
| | Total | 33.856 | 35 | | | |

a. Dependent Variable: Company Value

b. Predictors: (Constant), Non-Performing Loan, ROE, ROA, Loan to Deposit Ratio

Table 6 shows that the Fcount value is 34.427 with a significance level of 0.000. Since the sig value = 0.000 < 0.05, simultaneously ROA, ROE, LDR, and NPL have a significant effect on the company value at BRI Bank.

T-Test

In Table 1 for Bank Negara Indonesia, the calculated t-values for ROA (X1) are negative, for ROE (X2) are positive, for LDR (X3) are negative, and for NPL (X4) are negative. The significance values (sig.) for ROA

(X1), ROE (X2), and NPL (X4) are greater than α (0.05), while LDR (X3) is less than α (0.05). The results of the t-test at Bank BNI can be explained as follows:

1. The calculated t-value for the variable ROA is -0.082, and the significance value (sig) is $0.935 > \alpha 0.05$. This means that the ROA variable at Bank BNI has a negative but not significant effect on the company value.
2. The calculated t-value for the variable ROE is 1.943, and the significance value (sig) is $0.061 > \alpha 0.05$. This means that the ROE variable at Bank BNI has a positive but not significant effect on the company value.
3. The calculated t-value for the variable LDR is -2.091, and the significance value (sig) is $0.045 < \alpha 0.05$. This means that the LDR variable at Bank BNI has a significant negative effect on the company value.
4. The calculated t-value for the variable NPL is -0.360, and the significance value (sig) is $0.721 > \alpha 0.05$. This means that the NPL variable at Bank BNI has a negative but not significant effect on the company value.

In Table 2 for Bank Rakyat Indonesia, the calculated t-values for ROA (X1) are negative, for ROE (X2) are positive, for LDR (X3) are negative, and for NPL (X4) are positive. The significance values (sig.) for ROA (X1) and ROE (X2) are greater than α (0.05), while LDR (X3) and NPL (X4) are less than α (0.05). The results of the t-test at Bank BRI can be explained as follows:

1. The calculated t-value for the variable ROA is -0.197, and the significance value (sig) is $0.845 > \alpha 0.05$. This means that the ROA variable at Bank BRI has a negative but not significant effect on the company value.
2. The calculated t-value for the variable ROE is 0.067, and the significance value (sig) is $0.947 > \alpha 0.05$. This means that the ROE variable at Bank BRI has a positive but not significant effect on the company value.
3. The calculated t-value for the variable LDR is -3.778, and the significance value (sig) is $0.001 < \alpha 0.05$. This means that the LDR variable at Bank BRI has a significant negative effect on the company value.
4. The calculated t-value for the variable NPL is 5.664, and the significance value (sig) is $0.000 > \alpha 0.05$. This means that the NPL variable at Bank BRI has a significant positive effect on the company value.

DISCUSSION

Based on the determination coefficient (r^2) results, the variables Return on Assets, Return on Equity, Loan to Deposit Ratio, and Non-Performing Loan contribute to 31.70% for Bank Negara Indonesia (BNI) and 52.60% for Bank Rakyat Indonesia (BRI) regarding the Company Value.

The Influence of Return on Assets (X1) on Company Value in Bank BNI and Bank BRI.

Based on the t-test analysis results, the Return on Assets variable at Bank BNI obtained a calculated t-value of $-0.082 < t\text{-table (2.040)}$, and Sig. $0.935 > 0.05$. This means that H1 is rejected. It can be concluded that the Return on Assets variable has a negative and not significant effect on the Company Value at Bank BNI. Similarly, the t-test analysis results for the Return on Assets variable at Bank BRI obtained a calculated t-value of $-0.197 < t\text{-table (2.040)}$, and Sig. $0.935 > 0.05$. This means that H1 is rejected. It can be concluded that the Return on Assets variable has a negative and not significant effect on the Company Value at Bank BRI.

The Influence of Return on Equity (X2) on Company Value in Bank BNI and Bank BRI.

Based on the t-test analysis results, the Return on Equity variable obtained a calculated t-value of $1.943 < t\text{-table (2.040)}$, and Sig. $0.061 > 0.05$. This means that H2 is rejected. It can be concluded that the Return on Equity variable has a positive and not significant effect on the Company Value at Bank BNI. Similarly, for Bank BRI, the calculated t-value is $0.067 < t\text{-table (2.040)}$, and Sig. $0.845 > 0.05$. This means that H2 is rejected. It can be concluded that the Return on Equity variable has a positive and not significant effect on the Company Value at Bank BRI.

The Influence of Loan to Deposit Ratio (X3) on Company Value in Bank BNI and Bank BRI.

Based on the t-test analysis results, the Loan to Deposit Ratio variable obtained a calculated t-value of $-2.091 > t\text{-table (2.040)}$, and Sig. $0.045 < 0.05$. This means that H3 is accepted. It can be concluded that the Loan to Deposit Ratio variable has a negative and significant effect on the Company Value at Bank BNI. Similarly, for Bank BRI, the calculated t-value is $-3.778 > t\text{-table (2.040)}$, and Sig. $0.001 < 0.05$. This means that H3 is accepted. It can be concluded that the Loan to Deposit Ratio variable has a negative and significant effect on the Company Value at Bank BRI.

The Influence of Non-Performing Loans on Company Value in Bank BNI and Bank BRI.

Based on the t-test analysis results, the Non-Performing Loan variable obtained a calculated t-value of $-0.036 < t\text{-table (2.040)}$, and Sig. $0.721 > 0.05$. This means that H4 is rejected. It can be concluded that the Non-Performing Loan variable has a negative and not significant effect on the Company Value at Bank BNI. In contrast, for Bank BRI, the calculated t-value is $5.664 > t\text{-table (2.040)}$, and Sig. $0.000 < 0.05$. This means that H4 is accepted. It can be concluded that the Non-Performing Loan variable has a positive and significant effect

on the Company Value at Bank BRI.

The Influence of Return on Assets, Return on Equity, Loan to Deposit Ratio, and Non-Performing Loan on Company Value at Bank BNI and Bank BRI.

Based on the F-test above, it shows that ROA, ROE, LDR, and NPL simultaneously have a positive and significant effect, as seen from the calculated F-value = 3.590 > F-table (2.67), and the Sig. value of 0.016 < 0.05. This means that H5 is accepted. It can be concluded that ROA, ROE, LDR, and NPL together influence the Company Value at Bank BNI. The same is also shown for Bank BRI, where ROA, ROE, LDR, and NPL simultaneously have a positive and significant effect, as seen from the calculated F-value = 34.427 > F-table (2.67), and the Sig. value of 0.000 < 0.05. This means that H5 is accepted. It can be concluded that ROA, ROE, LDR, and NPL together influence the Company Value at Bank BRI.

CONCLUSION

Based on the above discussion, the following conclusions can be drawn to facilitate understanding of the research results:

1. The partial analysis (t-test) results show that variable X1, Return on Assets, has a negative and insignificant effect on Company Value at Bank BNI and Bank BRI.
2. The partial analysis (t-test) results for variable X2, Return on Equity, show a positive and insignificant effect on Company Value at Bank BNI and Bank BRI.
3. The partial analysis (t-test) results for variable X3, Loan to Deposit Ratio, show a negative and significant effect on Company Value at Bank BNI and Bank BRI.
4. The partial analysis (t-test) results for variable X4, Non-Performing Loan, show a negative and insignificant effect on Company Value at Bank BNI. However, for Bank BRI, a Non-Performing Loan has a positive and significant effect.
5. Based on the simultaneous calculation (F-test), variables Return on Assets, Return on Equity, Loan to Deposit Ratio, and Non-Performing Loan together have a positive and significant effect on Company Value at Bank BNI and Bank BRI.

REFERENCES

Articles

- [1] Hossari, G. and Rahman, S. (2005). A Comprehensive Formal Ranking of the Popularity of Financial Ratios in Multivariate Modeling of Corporate Collapse. *Journal of American Academy of Business, Cambridge*, 6(1), 321-328.
- [2] Ikhsan, M. and Jumono, S. (2022). The Effect of Non-Performing Loan (NPL), Independent Commissioner (KMI), and Capital Adequacy Ratio (CAR) on Firm Value (PBV) Mediated by Return on Asset (ROA). *Quantitative Economics and Management Studies (QEMS)*, 2(5), 810-824. <https://doi.org/10.35877/454RI.qems1063>
- [3] Languju, O. et al. (2016). Pengaruh ROE, Ukuran Perusahaan, PER, dan Struktur Modal terhadap Nilai Perusahaan Property dan Real Estate yang Terdaftar di Bursa Efek Indonesia. *Jurnal Berkala Ilmiah Efisiensi*. 16(2), 1-12.
- [4] Pandoyo and Samsudin. (2020). Influence of CAR, LDR, NPL and BOPO on ROA on Commercial Banks Listed on the Indonesia Stock Exchange in 2010-2016. *Journal of Economics, Finance and Management Studies*, 3(2), 296-302. <https://doi.org/10.47191/jefms/v3-i12-11>
- [5] Pradnyawati, N. P. M., Novitasari, N. L. G., and Widhiastuti, N. L. P. (2023). Pengaruh ROA, LDR, Ukuran Perusahaan, CAR, NPL terhadap Return Saham pada Perusahaan Perbankan di BEI. *Jurnal Inovasi Akuntansi (JIA)*, 1(1), 80-87. <https://doi.org/10.36733/jia.v1i1.6891>
- [6] Simanullang, C. D., Edward, Y. R., Ginting, R. R. and Simorangkir, E. N. (2021). The effect of Return on Assets (ROA) and Return on Equity (ROE) on company value with capital structure as moderating variables in banking companies listed on the Indonesia stock exchange. *International Journal of Business, Economics and Law*, 24(6), 129-134.
- [7] Solihati, G. P. (2020). ANALYSIS OF FACTORS AFFECTING BANKING PROFITABILITY (Case Study on Banking Companies Listed on the Indonesia Stock Exchange 2016-2018). *International Journal of Management Studies and Social Science Research*, 2(6), 36-48.
- [8] Sujoko & Ugy Soebiantoro. (2007). Pengaruh Struktur Kepemilikan Saham, Leverage, Faktor Interen dan Faktor Eksteren terhadap Nilai Perusahaan. *Jurnal Manajemen dan Kewirausahaan*, 9(1), 41 – 48. <https://doi.org/10.24034/j25485024.y2007.v11.i2.2236>
- [9] Sunaryo, D., Adiyanto, Y., and Sa'diyah, H. (2022). The effect of loan to deposit ratio, net profit margin, and return on equity, on stock returns and exchange rates as moderating variables in the

banking sub-sector on the southeast asian stock exchange. *Jurnal Keuangan dan Perbankan (KEBAN)*, 1(2), 1-20. <https://doi.org/10.30656/jkk.v1i2.4002>

- [10] Wiadnyani, D. A. P. M and Artini, L. G. S. (2023). The Influence of NPL, BOPO, LDR, and ROA on Firm Value: Study of Banking Sub-Sector Companies on the Indonesia Stock Exchange 2019-2021. *European Journal of Business and Management Research*, 8(4), 261-266. <http://dx.doi.org/10.24018/ejbmr.2023.8.4.2062>

Books

- [11] Brigham, Eugene F, dan Joel F Houston. (2010). *Dasar-Dasar Manajemen Keuangan* (Edisi 11). Salemba Empat.
- [12] Fahmi, I. (2015). *Analisis Laporan Keuangan*. Alfabeta.
- [13] Gibson. (2013). *Manajemen Sumber Daya Manusia* (Edisi 4). Erlangga.
- [14] Harjito, A. & Martono. (2012). *Manajemen Keuangan* (Edisi 2). Ekonisia.
- [15] Harmono. (2009). *Manajemen Keuangan Berbasis Balanced Scorecard (Pendekatan Teori, Kasus, dan Riset Bisnis)*. Bumi Aksara, Jakarta.
- [16] Kasmir. 2015. *Analisis Laporan Keuangan* (Edisi 1). PT Raja Grafindo Persada.
- [17] Kasmir. 2016. *Manajemen Sumber Daya Manusia (Teori dan Praktik)*. PT Rajagrafindo Persada.
- [18] Masyhud, A. (2006). *Manajemen Risiko: Strategi Perbankan dan Dunia Usaha Menghadapi Tantangan Globalisasi Bisnis*. PT. Raja Grafindo Persada.

Government

- [19] Puteh, A., & Malikussaleh, D. F. (n.d.). Loan, N. P., Operasional, B., & Assets, R. O. (2016). *Pengaruh LDR, NPL, dan BOP Terhadap ROA Pada Bank Devisa Yang Terdaftar di Bursa Efek Indonesia*. Jakarta.
- [20] Ritha, H., & Raditiya, E. (2014). *Pengaruh Faktor Internal Dan Eksternal Terhadap Fungsi Intermediasi Pada Bank Umum Swasta Nasional (BUSN) Devisa Periode 2006-2010*.

