

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Effect of Capital Adequacy Ratio (CAR), Operational Costs (BOPO) on Return on Asset (ROA) Through Operational Income and Loan Deposit Ratio (LDR) in Bank Market City Bogor, Indonesia

Imam Santoso

Student, Krisnadwipayana University, Jakarta, Indonesia

Partogi Saoloan Samosir

Lecturer, Krisnadwipayana University, Jakarta, Indonesia

Budhi Suparningsih

Lecturer, Faculty of Economics, Krisnadwipayana University, Jakarta, Indonesia

Abstract:

This study aims to recognize the influence of Capital Adequacy Ratio (Car), Operational Cost (bopo) to Return on Asset (Roa) through Operating Income and Loan Deposit Ratio (Ldr) at Bogor City Market Bank. Population and sample of research is financial performance of PD BPR Bank Market Bogor City in the form of CAR, BOPO, and LDR Input of data used arranged in semesteran. Objects observed are the BPR PD Bank Financial Statements of the City Market period of 2010 - Year 2015. Analysis techniques used to use description and path analysis with SPSS analysis tool.

The results showed that there is a positive and significant effect of CAR and LDR on ROA and there is a negative influence between BOPO on ROA partially. CAR, BOPO, and LDR simultaneously have a significant effect on ROA.

Keywords: Capital Adequacy Ratio (CAR), Operational Cost (BOPO), Operating Income and Loan Deposit Ratio (LDR) and Return On Asset (ROA).

1. Introduction

Banking has a very vital role in the achievement of national goals related to the improvement and equity of the living standards of society as well as supporting the wheel of the economy considering its function as an intermediary institution, payment transaction organizer, and monetary policy transmission tool.

Bank is an institution that acts as a financial intermediary between parties who have the funds (surplus units) with the parties that require funds (unit deficit) and as an institution that serves to smooth the flow of payment traffic. The Bank also has a role as the implementation of monetary policy and the achievement of financial system stability, so it needs a healthy, transparent and account table banking (Booklet Banking Indonesia 2009). Banks in running their business raise funds from the community and redistribute them in various investment alternatives. In connection with this fund raising function, banks are often also called trust agencies. In line with the characteristics of its business, the bank is a business segment whose activities are much regulated by the government. (Siamat, 2005: 2)

According to Law Number 10 Year 1998 on Banking, banking is anything that concerns about banks, including institutions, business activities, and ways and processes in carrying out its business activities. While the bank is a business entity that collects funds from the public in the form of savings and channeled to the community in the form of credit and or other forms in order to improve the standard of living of many people. From the definition can be explained that the bank is a company engaged in the field of finance, and its activities must be related to financial problems.

In collecting funds and lending to the public, banks compete both through the provision of facilities / amenity / privileges and through interest rates (cost). Because of competition also, there are times when banks do not heed the prevailing provisions, especially the provisions of banking authorities (Bank Indonesia). In some cases banks have violated Bank Indonesia regulations, such as exceeding MLL (Maximum Lending Limit) to a particular company or group of companies, lending that ignores the prudential banking principles. This can be detrimental to investors and may have an impact on the country's economy. This can happen because the credit given is stalled so that the bank not only does not earn interest which is the main income of the bank, but also suffer losses on the loan principal. The loan principal provided to the customer is sourced from public funds which must be returned plus interest at maturity. If in the banking system a lot of bad loans, then there could be banking / financial crisis as happened in Indonesia in 1997 (Kuncoro and Suhardjono, 2011).

The condition of the banking world in Indonesia has undergone many changes over time. These changes are in addition caused by developments outside the world of banks, such as the real sector in the economy, politics, social, law, defense and security. It started in 1983 when various kinds of deregulation started by the government. Deregulation and implementation of policies related to the monetary and real sectors have led to the banking sector having the ability to improve macroeconomic performance in Indonesia. This banking business expanded rapidly in the period 1988-1996. However, in the middle of 1997, the banking industry experienced a complete setback due to the monetary crisis and the economic crisis that hit Indonesia. The economic crisis that struck Indonesia since the middle of 1997 resulted in all the economic potential decline and bankruptcy (Sari, 2010).

Financial institutions comprise of banks and non-bank financial institutions under the auspices of Bank Indonesia, the Ministry of Cooperatives and the Department of Pawnshops. Based on Law no. 10 of 1998 on Amendment to Law No.7 / 1992 on banking, bank financial institutions consisting of Commercial Banks and BPRs. Commercial Banks and Rural Banks may choose to execute their business activities on the basis of conventional bank or bank principles based on sharia principles.

In general, a bank is a business entity that has the authority and functions to raise public funds to be channeled to those who need the funds. The types of banks that exist in Indonesia include the Central Bank, Commercial Bank, and Bank Perkreditan Rakyat (BPR).

Banking firms are business-dependent because of concerns that the money they invest will be abused by the bank, the money will not be managed properly, the bank will be bankrupt and liquidated, and at the time promised the deposit can not be withdrawn from the bank. Bank is a financial intermediary institution or as an intermediary between the owner of capital with the user of capital as supporting infrastructure to support the smoothness of the economy. In addition, banks have a very important role in society, not just as a source of funds for those who lack the funds or as a place of money for the excess funds but has other functions that are widespread today. Economic progress and higher levels of economic activity have encouraged banks to create products and services that provide satisfaction and convenience such as providing more efficient payment mechanisms in economic activities, providing storage services for valuables and offering financial services others.

Unlike the Central Banks and Commercial Banks, Rural Banks / BPRs are supporting banks that have limited operational areas and funds owned with limited services such as providing limited credit loans, receiving public savings, providing financing on the basis of profit sharing , placement of funds in SBI / Indonesian bank certificates, time deposits, certificates / securities, savings, and so forth.

BPR has a strategic role in the Indonesian economy especially in encouraging the development of micro, small and medium enterprises (MSMEs). Small and medium micro enterprises act as the creators of business and equity of employment. Based on the Law No.10 of 1998 Rural Bank is a bank conducting activities conventionally or based on sharia principles which in its activities do not provide services in its payment traffic. BPR business activities are primarily intended to serve small businesses and communities in rural areas. The legal form of an RB may be a Limited Liability Company, a Regional Enterprise, or a Cooperative.

Business activities undertaken by BPR in general are collecting funds from the public in the form of savings and time deposits, providing credit, providing funding and placement of funds based on sharia principles or not, and placing the funds in the form of Bank Indonesia Certificates, time deposits, certificates of deposit or savings on other banks.

The financial condition of a bank is in the interests of all parties concerned, both owners, managers (management) banks, and the community of bank service users. Information on the condition of a bank may be used by the parties to evaluate bank performance in establishing prudential principles, compliance with prevailing regulations and risk management. The results of the bank's condition assessment can be used as one of the means in determining the business strategy in the future. The existence of Rural Banks is to meet the needs of the community in the field of finance with provisions that are easier than other banks.

The number of banks in the city of Bogor quite a lot ranging from the type of government banks, national private banks, regional development banks, and BPR banks. With the number of banks is quite a lot of this then the level of competition between banks in the city of Bogor quite tight. The banks offer a variety of products with varied services to the people of Bogor City. The complete number of banks in Bogor City can be seen in Table 1.

Type of Bank	2011	2012	2013	2014	2015	2016
1. State	4	4	4	4	4	4
2. Private	29	29	31	30	31	32
3. Development Banks	1	1	1	2	2	1
4. Rural banks	9	9	7	7	6	7
Total	43	43	43	43	43	44

Table 1: Number of Banks by Type in Bogor City 2009-2016
Source: Bogor City in Figures, 2016

Rural Bank (BPR) is one type of bank known to serve the micro, small and medium entrepreneurs. The existence of BPRs is generally close to the people in need. The function of BPR is not only to channel credit to micro, small and medium entrepreneurs, but also to receive savings from the community. Bank Perkreditan Rakyat (BPR) is one form of institution / banking that did not escape the problems caused by the economic crisis. To that end, BPR is required to survive and develop in achieving its objectives. To achieve this, one way to measure whether the BPR has performed in accordance with the principles of sound banking and in accordance with applicable provisions can be seen from the level of health or financial performance of the concerned BPR.

The management of rural banks in the Bogor City area should still be improved, as seen from the number of BPRs in this region is quite a lot, so the competition between BPR is very open. Currently there are many banks operating in Bogor City Region, both commercial banks and rural banks that can lead to unhealthy competition. Often bank management takes shortcuts in winning the competition. In order to maintain its business development in the increasingly fierce competition and to respond to the needs of the community, the management of Rural Bank should pay attention to the level of health covering 3 (three) aspects, namely CAR (Capital Adequacy Ratio), BOPO (Operating Cost Ratio against Operating Revenue), and LDR (Loan to Deposit Ratio). In addition, BPRs also have to improve their skills or expertise of human resources especially in the IT field and improve supervision on operational performance and update office inventory that is not feasible so that it can improve operational performance of employees.

In the analysis, there are criteria that have been set by Bank Indonesia as Central Bank, namely about how much percentage of financial performance that meets the bank's requirements to be stated healthy, and not harm / harm the parties concerned. The analysis is quantified as a valuation aspect which is the calculation of financial ratios. Therefore, financial ratios are useful in assessing the financial performance of banks. The larger the scale of bank operations as measured by total assets and the higher the amount of capital from the bank is expected to perform better operation.

One of the obligations and authority of the Central Bank is to maintain and control the health of banks in the banking industry. If a bank is considered to have good health, then the bank will be given the opportunity to expand its business. But if a bank is considered less healthy, then the Central Bank will conduct stricter supervision to avoid collapse of the bank.

CAMEL is basically a bank health assessment method that covers 5 (five) criteria, namely:

- Capital adequacy is the capital adequacy that shows the bank's ability to maintain sufficient capital and the bank's management capability in identifying, measuring, supervising, and controlling risks that may affect the amount of bank capital.
- Assets quality is showing the quality of assets in relation to credit risk faced by banks due to credit and investment bank funds in different portfolios.
- Management quality is to demonstrate the ability of bank management to identify, measure, monitor and control the risks that arise through its policies and business strategy to achieve the target.
- Earning is to show not only the quantity and trend of earnings but also the factors that affect the availability and quality of earnings.
- Liquidity is indicating the availability of funds and sources of bank funds at this time and the future.

The financial statements are the right instruments to be used as material for the analysis of financial performance from the following year. Because in the financial statements there are important information such as corporate resources, debt, debt and property owners. In conducting the analysis and evaluation of the financial statements will be able to know the company's financial condition as well as financial developments. This study is intended to perform further testing of empirical findings on financial ratios. The results of financial ratios are used to assess the financial soundness of the bank in a period whether it reaches the target as it has been established. From the results of the assessment can be used to evaluate the things that need to be done by management to take policy to achieve corporate goals.

PD. BPR Bank Market Bogor City is a regional autonomy fittings in finance and runs its business as Rural Bank in accordance with prevailing banking regulations. BPR Bank Market Bogor City which is a company owned by the City of Bogor, its existence is expected to become a bank financial institution that can play a role in the effort of equity of public welfare small and medium. The large number of financial institutions that offer various facilities makes it difficult for customers to make their investment choices in a healthy bank. Therefore, the level of financial performance of BPR is very important to attract customers and overcome the increasingly fierce competition. To know the success of RBs, an assessment of the overall health or financial performance of the BPR is required. To know the financial condition of the bank in PD. BPR Bank Market Bogor City used an analysis of financial statements intended to present important indicators of the existing state as a tool for management decision making in order to achieve the expected goals.

CAMEL is home to assess the financial performance, while the focus in this study is on Return On Assets (ROA). ROA is the ratio that divides between net profit after tax with average assets at the beginning of the period and the end of the period. This ratio is used to see the company's ability to manage each asset value they have to generate net profit after tax. The higher the ROA of a company, the better the company's ability to manage its assets.

The data on the movement of BOPO, CAR, and LDR influenced by the economic situation in the period 2010-2013 based on the Indonesia Stock Exchange listed in the Annual Report period 2010- 2013 can be seen in Figure 1.

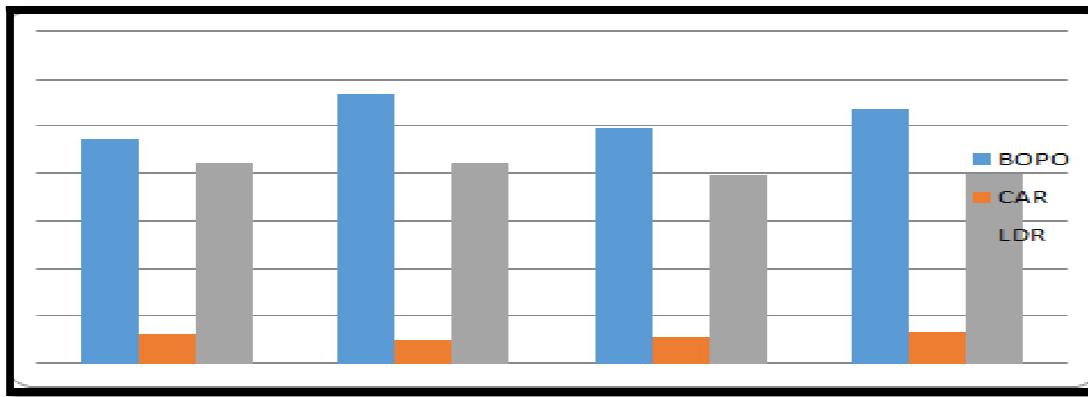


Figure 1: BOPO, CAR, and LDR Fluctuations Year 2010 – 2013
DX 2015 (Data Processed), 2017

In Figure 1., it can be seen that in 2011 BOPO fluctuated with the highest and lowest values in 2010. Year 2013 CAR fluctuated with the highest and lowest values in 2011. In 2010 LDR experienced fluctuations with the highest and lowest value of 2012.

2. Literature Review

2.1. Financial Statements

In general, any company whether bank or non bank in a certain period will report its financial activities. Information about the company's financial processes, company performance, cash flow and other information relating to the activities of financial statements can be obtained from the company's financial statements. According to SAC No.1, financial reporting is a system and means of delivering information about all the conditions and performance of the company mainly in financial terms and not limited to what can be submitted through financial statements.

The financial statements is one of the sources of information that describes thoroughly about the condition and development of the company, so it can be one means of assessing the level of professionalism of the company concerned in doing business activities. Suwardjono, 2010. This financial report shows the performance of bank management over a certain period. The advantage of reading this report is that the management can fix the existing weaknesses and maintain the strength they have.

According to SFAC No.1 FASB 1978 the main purpose of the financial statements is to provide useful information to investors, creditors, and current and future users of laninnya in making investment, credit and similar decisions rationally. The second objective is to provide information in assessing the amount, timing, uncertainty of cash receipts from future dividends and interest. This implies that investors want information about the results and risks on investments made.

The financial statements are basically the result of an accounting process that can be used as a tool to communicate between financial data or the activities of a company with the parties concerned with the data or activities of the company. Many parties have an interest to know more about the financial statements of the bank because each party has different interests tailored to the nature and interests of each. According to Munawir (1992) the parties concerned about the financial position and development of a company are:

- The owner of the company, very interested in the financial statements of the company, because with the report the owner of the company will be able to assess the success or failure of managers in leading perusahaannya and success assessed by the company's profits earned.
- Managers or corporate leaders, knowing the company's financial position in the new period will be able to plan better, improve its oversight system and determine more appropriate policies.
- Investors, they have an interest in the prospects for future profits and future developments, to know the investment guarantees and to know the working conditions or short-term financial condition of the company.
- Creditors and bankers, before making a decision to grant or reject a credit request from a company, need to know in advance the financial position of the company concerned.
- The government to determine the amount of tax to be borne by the company is also very necessary by BPS Department of Industry, Trade and Labor as the basis of government planning.

2.3. Financial Ratios

Financial ratio analysis is an analytical method to know the relationship of certain items in the balance sheet or income statement individually or in combination of both reports (Munawir, 2002)

By using ratio analysis it is possible to determine the performance level of a bank. According to Dendawijaya (2001) the financial ratios

can be grouped into:

- Liquidity Ratio

Liquidity ratio analysis is an analysis performed on the bank's ability to meet its short-term obligations or matured liabilities. Some liquidity ratios that are often used in assessing the performance of a bank are Cash Ratio, Reserve Requirement, Loan to Deposit Ratio, Loan to Asset Ratio, Net call liability ratio (Dendawijaya, 2001)

- Solvency Ratio

Solvency analysis is an analysis used to measure the bank's ability to meet its long-term liabilities or the ability of banks to meet obligations in the event of bank liquidation. Besides iotu, this ratio is used to determine the comparison between the volume (amount) of funds obtained from various debts (short-term and long-term) as well as other sources outside the bank's own model by the volume of investment in various types of assets owned by the bank. Some ratios are Capital Adequacy Ratio (CAR), Debt to Equity Ratio, Long Term Debt to Assets Ratio (Dendawijaya, 2001).

- Ratio of Profitability

The bank profitability ratio analysis is a tool to analyze or measure the level of business efficiency and profitability achieved by the bank concerned. In addition, the ratios in this category can also be used to measure the soundness of banks. In the calculation of these profitability ratios are usually sought reciprocal relationship between the positions contained in the income statement or reciprocal relationship between the posed in the income statement bank with the posts on the bank balance sheets in order to obtain various indications that are useful in measuring the level of efficiency and profitability the bank concerned. The analysis of rentability ratio of a bank in this chapter includes Return on Assets, Return on Equity, Net Profit Margin, Operational Cost Ratio (Dendawijaya, 2001)

2.4. Return on Asset (ROA)

Return On Assets (ROA) is a ratio used to measure the ability of bank management in obtaining profitability and manage the level of business efficiency of the bank as a whole. The greater the value of this ratio indicates the level of profitability of the bank business is getting better or healthier (Mahrinasari, 2003). Meanwhile, according to Bank Indonesia, Return On Assets (ROA) is a comparison between profit before tax with the average total assets in a period. This ratio can be used as a measure of financial health. This ratio is very important, since the profits derived from the use of assets can reflect the level of business efficiency of a bank. Within the framework of the bank's health assessment, BI will provide a maximum score of 100 (healthy) if the bank has an ROA > 1.5% (Hasibuan, 2001: 100).

The greater the Return On Assets (ROA) of a bank, the greater the level of profit achieved by the bank and the better the bank's position in terms of asset use. Total assets usually used to measure the ROA of a bank is the amount of productive assets consisting of placement of securities such as Bank Indonesia certificates, money market securities, placements in shares of other companies, placements in call money or money market and placement in the form of credit (Dendawijaya, 2001).

2.5. Capital Adequacy Ratio (CAR)

Capital Adequacy Ratio is a capital ratio that shows the ability of banks to provide funds for business development and accommodate the possibility of risk of losses incurred in the bank's operations. The greater the ratio the better the capital position (Achmad and Kusuno, 2003)

Capital Adequacy Ratio is the capital adequacy that shows the bank's ability to maintain sufficient capital and the bank's management capability in identifying, measuring, supervising and controlling risks that may affect the amount of capital. The calculation of the Capital Adequacy Ratio is based on the principle that any planting that contains risks must be provided with a certain percentage of capital to the amount of planting. According to Dendawijaya (2003) in line with the standards set by the Bank for International Settlements (BIS), Indonesian banks require each bank to provide at least 8% capital from risk-weighted assets (ATMR) (SE BI Number 26/5 / BPPP dated May 29, 1993) . But since the end of 1997 the CAR must be achieved at least 9%.

2.6. Operational Cost (BOPO)

Operational Cost Ratio to Operating Income (BOPO) is often called the efficiency ratio used to measure the bank's management capability in controlling operational costs against operating income (Siamat, 2001). The smaller this ratio means the more efficient the operational costs incurred by the bank concerned (Almilia and Herdiningtyas, 2005). The success of banks is based on quantitative valuation of bank profitability can be measured using the ratio of operational costs to operating income (Kuncoro and Suhardjono, 2002). This is due to any increase in operations will can on declining profit before tax and will eventually lower the profit or profitability (ROA) of the bank concerned. According to Dendawijaya (2001) under the terms of Bank Indonesia, the normal BOPO ranges between 94% -96%.

2.7. Loan to Deposit Ratio (LDR)

Liquidity management is one of the complex issues in the bank's operational activities, it is because the funds managed by most banks are funds from the public that are short-term and can be withdrawn at any time. The liquidity of a bank means that the bank has sufficient resources available to meet all obligations (Siamat, 2005).

In general, the activities of a bank are directed at efforts to increase revenue by minimizing risks. Conventionally, many banks prioritize lending activities as a means to achieve these goals, but in fact many banks are bankrupt because of it. Lending activities can dominate the use of a bank's funds because credit affects bank activity, rating of bank soundness, customer confidence level and level of profit achievement. The problems that often arise in the investment of funds in the field of credit will involve: the amount of funds that can be used (sensitive or not), the arrangement of the type of credit composition (outsiders, insiders, guaranteed or not), composition based on maturity (short, medium or long), the preparation of human financial resources in the Assets Liability Management Committee (ALCO) which accommodates the management process togetherness to achieve a high level and a stable pattern in the growth of NIM, ROA, ROE, ROI (Imam R.1999 in Januarti, 2002).

According to Dendawijaya and Lukman (2001), the Loan to Deposit Ratio (LDR) states how far the bank's ability to repay the withdrawal of funds by depositors by relying on the credit given as a source of liquidity. In other words, to what extent credit grants to customers, credit can offset the bank's obligation to immediately meet the demand of depositors who want to withdraw the money that has been used by banks to provide credit. This ratio is also an indicator of vulnerability and ability of a bank. Some banking practitioners agree that the safe limit of loan to deposit ratio of a bank is about 80%. However, tolerance limits range from 85% to 100% (Dendawijaya, 2001).

3. Methodology

3.1. Research Design

This research was conducted by using quantitative method to obtain information about the problems associated with the analysis of factors that affect the financial performance of PD BPR Bank Market Bogor City. In the implementation of the analysis approach is descriptive and correlational using historical data in the form of financial statements.

3.2. Population and Sample

The unit of analysis in this study is the financial performance of PD BPR Bank Market Bogor City in the form of CAR, BOPO, and LDR Input data used arranged in semi-annually. Objects observed are the Financial Statements PD BPR Bank Market Bogor City period of Year 2010 - Year 2015.

3.3. Data Collection Technique

This type of data consists of primary data and secondary data. Primary data is obtained directly from the data source. The time period of primary data is 2010 - 2015. Secondary data is obtained through notes, reports, journals, other publications.

This research is fully using primary data. Secondary data in the form of Profile PD BPR Bank Market Bogor City.

3.4. Data Processing Technique

Data processing techniques with descriptive and correlational techniques using SPSS program analysis tools (Statistical Product and Service Solutions).

4. Research Result and Discussion

4.1. Data Description

4.1.1. Description of CAR Data

The result of descriptive statistical analysis of CAR data shows average value 43,94, median value 43,57, mode value 32,26, value of standard deviation 6,87, variant value 47,21, value range 20,29, score value lowest 32,26 and the highest score of 52.55. More data can be seen in Table 2.

Mean	43.9417
Median	43.5700
Mode	32.26(a)
Std. Deviation	6.87079
Variance	47.208
Range	20.29
Minimum	32.26
Maximum	52.55
Sum	263.65

Table 2: Description of CAR Data

4.1.2. BOPO Data Description

The result of BOPO descriptive statistical analysis showed the mean value of 59,91, median value 60,38, mode value 53,28, deviation standard value 3,89, value of variance 15,11, value range 11,93, value of lowest score 53 , 28 and the highest score score of 65.21. More data can be seen in Table 3.

Mean	59.9117
Median	60.3800
Mode	53.28(a)
Std. Deviation	3.88716
Variance	15.110
Range	11.93
Minimum	53.28
Maximum	65.21
Sum	359.47

Table 3: Description of BOPO Data

4.1.3. Description of LDR Data

The results of descriptive statistical analysis of LDR data showed average value 257,62, median value 253,85, value of mode 220,46, standard deviation value 35,01, value of variance 1225,75, value range 84,52, value of lowest score 220 , 46 and the highest score of 304.98. More data can be seen in Table 4.

Mean	257.6150
Median	253.8450
Mode	220.46(a)
Std. Deviation	35.01073
Variance	1225.751
Range	84.52
Minimum	220.46
Maximum	304.98
Sum	1545.69

Table 4: Description of LDR Data

4.1.4. Description of ROA Data

The result of descriptive statistic analysis of ROA data shows the average value of 0.08, median value 0.08, the value of 0.08 mode, 0.01 standard deviation value, the value of variance 0,00, the value range 0,04, the lowest score score 0 , 06 and the highest score of 0.10. More data can be seen in Table 5.

Mean	.0800
Median	.0800
Mode	.08
Std. Deviation	.01414
Variance	.000
Range	.04
Minimum	.06
Maximum	.10
Sum	.48

Table 5: Description of ROA Data

4.2. Hypothesis Testing

4.2.1. The Influence of CAR on ROA

Test the relationship between CAR with ROA with a simple correlation test Product Moment (Pearson) then obtained correlation coefficient value of $r_{y.1} = 0.483$. Correlation coefficient value $r_{y.1} = 0.483$ is + and correlation value $\neq 0$ This result indicates that there is a positive relationship between CAR with ROA. The degree of relationship strength between CAR and ROA is "moderate" because the value of $r_{y.1} = 0.483$ is between 0,400 - 0,599 (medium).

Correlation Coefficient	Relationship Level
0,000 – 0,199	Very weak
0,200 – 0,399	Weak
0,400 – 0,599	Medium
0,600 – 0,799	Strong
0,800 – 1,00	Very strong

Table 6: Correlation Coefficient and Relationship Strength Level

Source: Sugiyono, 2006: 81

		Correlation	
		CAR	ROA
CAR	Pearson Correlation	1	.483
	Sig (2-Tailed)		.332
	N	6	6
ROA	Pearson Correlation	.483	1
	Sig (2-Tailed)	.332	
	N	6	6

Table 7: Relationship between Cars with Roa

The next test is to test whether the relationship between CAR and ROA with correlation coefficient of $r_{y.1} = 0.483$ is signified or not. The relationship that occurs is said to be signified if the value of $t\text{-count} > t\text{-table}$ value. Significant means that the relationship is real is in the sense that the existence of CAR is significantly related to ROA. The result of significance test shows that $t\text{count} = 7,103$ and $t\text{-table} = 2,776$ at $\text{Sig} = 0,05$ and $N - 2$ or $6 - 2 = 4$. This result shows that $t\text{-count} = 7,103 > t\text{-table} = 2,77$ that the relationship between CAR and ROA is significant. Thus it can be concluded there is a significant positive relationship between CAR with ROA. More data can be seen in Table 8.

Coefficients ^a						
		Unstandardized Coefficients	Standardized Coefficients			
		B	Std. Error	Beta	t	Sig
1	(Constant)	.224	.040		5.092	.000
	CAR	.243	.001	.483	7.103	.000

Table 8: Test Value t Relationship between CAR With ROA

a. Dependent variable: ROA

The summary of correlation analysis between CAR and ROA and test significance of t test can be seen in Table 9.

n	$r_{y.1}$	$r_{y.1}^2$	t_{hitung}	t_{tabel} 0,05	Kesimpulan
6	0,483	0,233	7,103	2,776	Signifikan

Table 9: Summary of Test Results Significance of Relationship between CAR With ROA

It is known that the relationship between CAR and ROA is positive and significant. Furthermore to know how big contribution or contribution of existence of CAR to ROA hence done by analysis by using coefficient of determinansi. The result of determination coefficient analysis is $r^2 = (r_{y.1})^2 = (0,483)^2 \times 100\% = 23,3\%$. These results indicate that the contribution or contribution of CAR is 23.3% to ROA.

Last is to know how far functional relationship of CAR with ROA hence got functional relation $\hat{Y} = 3,224 + 0,243X_1$. The result of this functional relationship can be explained as follows:

- Constant value of 3.224, meaning that if the CAR does not exist then the value of ROA (Y) of 3.224.
- The coefficient value of CAR (X1) is 0.243, meaning that if there is an increase or additional (due to + sign) one unit of CAR (X1) it will increase ROA (Y) of 0.243 one unit.
- The result of functional relationship between CAR (X1) and ROA (Y) is $\hat{Y} = 3,224 + 0,243X_1$ explains that CAR (X1) can be used to predict ROA (Y).

More data can be seen in Table 10.

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	3.224	.040		5.092	.000
CAR	.243	.001	.483	7.103	.000

Table 10: Functional Relationship between Car With Roa
a. Dependent Variable: ROA

4.2.2. The Influence of BOPO against ROA

Test the relationship between BOPO with ROA with a simple correlation test Product Moment (Pearson) then obtained correlation coefficient value of $r_{y,2} = -0.382$. Correlation coefficient value $r_{y,1} = -0.382$ is - and correlation value $\neq 0$ this result indicates that there is a negative relationship between BOPO with ROA. The degree of relationship strength between BOPO and ROA is "weak" because the value of $r_{y,2} = -0.382$ lies between the values of 0.200 - 0.399 (weak). More data can be seen in Table 11.

Correlations			
		BOPO	ROA
BOPO	Pearson Correlation	1	-.382
	Sig. (2-tailed)		.455
	N	6	6
ROA	Pearson Correlation	-.382	1
	Sig. (2-tailed)	.455	
	N	6	6

Table 11: Relationship between BOPO with ROA

The next test is to test whether the relationship between BOPO and ROA with correlation coefficient of $r_{y,2} = -0.382$ is signified or not. The relationship that occurs is said to be signified if the value of $t_{count} > t_{table}$ value. Significant means that the relationship is real in the sense that the existence of BOPO is significantly related to ROA. The result of significance test shows that $t_{count} = 7,826$ and $t_{table} = 2,776$ at $Sig = 0,05$ and $N - 2$ or $6 - 2 = 4$. This result indicates that $t_{count} = 7,826 > t_{table} = 2,77$ that the relationship between BOPO and ROA is significant. Thus it can be concluded there is a significant positive relationship between BOPO with ROA. More data can be seen in Table 12.

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	2.163	.101		6.617	.000
BOPO	-.225	.002	-.382	7.826	.000

Table 12: Test Value T Relationship between BOPO with ROA
a. Dependent Variable: ROA

The summary of correlation analysis results between BOPO and ROA and test significance of t test can be seen in Table 13.

n	$r_{y,1}$	$r_{y,1}^2$	T Hitung	T Tabel 0,05	Kesimpulan
6	-0,382	0,146	7,826	2,776	Signifikan

Table 13: Summary of Significance Test Results Relationship between BOPO with ROA

It is known that the relationship between BOPO and ROA is negative and significant. Furthermore to know how big contribution or contribution of existence of BOPO to ROA hence done by analysis by using coefficient of determinansi. The result of determination coefficient analysis is $r^2 = (r_{y,1})^2 = (-0,382)^2 \times 100\% = 14,6\%$. These results indicate that the contribution or contribution of BOPO existence is 14.6% of ROA.

Last is to know how far the functional relationship of BOPO with ROA hence got functional relation $\hat{Y} = 2,163 - 0,225X_2$. The result of this functional relationship can be explained as follows:

- Constant value of 2.163, meaning that if BOPO does not exist then the value of ROA (Y) of 2.163.
- The coefficient value of BOPO (X2) is -0.225, meaning that if there is an increase or addition (due to -) one unit of BOPO (X2) it will decrease ROA (Y) equal to -0.225 one unit.
- The result of functional relationship between BOPO (X2) and ROA (Y) is $\hat{Y} = 2,163 - 0,225X2$ explains that BOPO (X2) can be used to predict ROA (Y).

More data can be seen in Table 14.

Coefficients ^a					
		Unstandardized Coefficients		Standardized Coefficients	
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	2.163	.101		6.617	.000
BOPO	-.225	.002	-.382	7.826	.000

Table 14: Functional Relationship between CARD With ROA
a. Dependent Variable: ROA

4.2.3. The effect of LDR on ROA

Test the relationship between the LDR with ROA with a simple correlation test Product Moment (Pearson) then obtained correlation coefficient value of $r_{y.3} = 0.680$. Correlation coefficient value $r_{y.3} = 0.680$ is + and correlation value $\neq 0$ this result indicates that there is a positive relationship between LDR with ROA. The degree of relationship strength between LDR and ROA is "strong" because the value of $r_{y.3} = 0.680$ is between 0,600 - 0,799 (strong). More data can be seen in Table 15.

		Correlations	
		LDR	ROA
LDR	Pearson Correlation	1	.680
	Sig (2-tailed)		.137
	N	6	6
ROA	Pearson Correlation	.680	1
	Sig (2-tailed)	.137	
	N	6	6

Table 15: Relationship between LDR with ROA

The next test is to test whether the relationship between LDR and ROA with correlation coefficient of $r_{y.3} = 0.680$ is signified or not. The relationship that occurs is said to be signified if the value of $t_{count} > t_{table}$ value. Significant means that the relationship is real is in the sense that the existence of LDR is significantly related to ROA. The result of significance test shows that $t_{count} = 9,854$ and $t_{table} = 2,776$ at Sig = 0,05 and N - 2 or 6 - 2 = 4. This result shows that $t_{count} = 9,854 > t_{table} = 2,77$ that the relationship between LDR and ROA is significant. Thus it can be concluded there is a significant positive relationship between LDR with ROA. More data can be seen in Table 16.

Coefficients ^a					
		Unstandardized Coefficients		Standardized Coefficients	
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	5.151	.038		6.920	.000
LDR	.438	.000	.680	9.854	.000

Table 16: Test Value T Relationship between LDR with ROA
a. Dependent Variable: ROA

The summary of correlation analysis between LDR and ROA and test significance t test can be seen in Table 17

n	$r_{y.1}$	$r_{y.1}^2$	t_{hitung}	t_{tabel} 0,05	Kesimpulan
6	0,680	0,462	9,854	2,776	Signifikan

Table 17: Summary of Significance Test Results Relationship between BOPO with ROA

It is known that the relationship between LDR and ROA is positive and significant. Furthermore to know how big contribution or contribution of existence of LDR to ROA hence done by analysis by using coefficient of determination. The result of determination coefficient analysis is $r^2 = (r_{y.1})^2 = (0,680)^2 \times 100\% = 46,2\%$. These results indicate that the contribution or contribution of LDR is 46.2% of the ROA.

Last is to know how far functional relationship of LDR with ROA hence got functional relation $\hat{Y} = 5,151 + 0,438 X_3$. The result of this functional relationship can be explained as follows:

- Constant value of 5.151, meaning that if the LDR does not exist then the value of ROA (Y) of 5.151.
- The value of LDR (X3) coefficient is 0,438, meaning that if there is an increase or addition (because sign +) one unit of LDR (X3) it will increase ROA (Y) equal to 0,438 one unit.
- The result of functional relationship between ANDR (X3) and ROA (Y) is $\hat{Y} = 5,151 + 0,438 X_3$ explaining that LDR (X3) can be used to predict ROA (Y).

More data can be seen in Table 18

Coefficients ^a					
		Unstandardized Coefficients		Standardized Coefficients	
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	5.151	.038		6.920	.000
LDR	.438	.000	.680	9.854	.000

Table 18. Functional Relationship between Car with Roa

a. Dependent Variable: ROA

4.2.4. Effect of CAR, BOPO, And LDR Against ROA

Test the relationship between CAR, BOPO, and LDR Simultaneously with ROA with multiple correlation test then obtained correlation coefficient value of $R = 0.840$. The correlation coefficient value $R = 0.840$ is + and the correlation value $\neq 0$. This result indicates that there is a positive relationship between CAR, BOPO, and LDR Simultaneously with ROA. The degree of strength of the relationship between CAR, BOPO, and LDR together with ROA is categorized as "very strong" because the value of $R = 0.840$ lies between values of 0.800 - 1.00 (very strong). More data can be seen in Table 19.

Model Summary				
Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	.840 ^a	.705	.264	.01214

Table 19: Multiple Correlation Value

A. Predictors: (Constant), LDR, BOPO, CAR

The next test is to test whether the relationship between CAR, BOPO, and LDR Simultaneously with ROA with correlation coefficient value of $R = 0.840$ is signified or not. The relationship is said to be signified if the value of $F_{hitung} > F_{tabel}$ value. Significant means that the relationship is real is in the sense that the existence of CAR, BOPO, and LDR Simultaneously correlated significantly with ROA. The result of significance test shows that the value of $F\text{-count} = 130,578$ and $F\text{-table value} = 19,16$ at level of $\alpha = 0,05$. This result indicates that the value of $F\text{-count} = 130,578 > F\text{-table value} = 19,16$, means that the relationship between CAR, BOPO, and LDR Simultaneously with ROA is significant. Thus it can be concluded there is a significant relationship between CAR, BOPO, and LDR Simultaneously with ROA. The summary of analysis results of the relationship between CAR, BOPO, and LDR Simultaneously with ROA and F test significance test can be seen in Table 20.

n	R	R ²	F _{hitung}	F _{tabel} 0,05	Kesimpulan
6	0,840	0,705	130,578	19,16	Signifikan

Table 20: Summary of Test Results Significance the Relationship between CAR, BOPO, and LDR Simultaneously With ROA

Having known that the relationship between CAR, BOPO, and LDR with employee performance is positive and significant. Furthermore to know how big contribution or contribution of existence of CAR, BOPO, and LDR Simultaneously to ROA hence done by analysis by using coefficient of determination. The result of determination coefficient analysis is $R^2 = (R)^2 = (0,840)^2 \times 100\% = 70,5\%$. These results indicate that the contribution or contribution of CAR, BOPO, and LDR is simultaneously equal to 70.5% of ROA.

Last is to know how far functional relationship between CAR, BOPO, and LDR Simultaneously with ROA hence got functional relation $\hat{Y} = 8,453 + 0,317X1 - 0,262X2 + 0,562X3$. The result of this functional relationship can be explained as follows:

- Constant value of 8.453, meaning that if CAR, BOPO, and LDR Simultaneously no then the value of ROA (Y) of 8.453.
- The coefficient value of CAR (X1) is 0.317, meaning that if there is an increase or addition (due to + sign) one unit of CAR (X1) there will be an increase of ROA (Y) of 0.317 one unit.
- The coefficient value of BOPO X2 is -0.262, meaning that if there is an increase or addition (due to sign -) one unit of BOPO (X2) it will decrease ROA (Y) equal to -0.262 one unit.
- The value of LDR (X3) coefficient is 0,562, meaning that if there is an increase or addition (because of + sign) one unit of LDR (X3) it will increase ROA (Y) equal to 0,562 one unit.
- The result of functional relationship between CAR, BOPO, and LDR Simultaneously with ROA is $\hat{Y} = 8,453 + 0,317X1 - 0,262X2 + 0,562 X3$ explains that CAR, BOPO, and LDR Simultaneously can be used to predict ROA.

5. Discussion

5.1. The Influence of CAR on ROA

Capital Adequacy Ratio (CAR) or as a capital adequacy ratio, which means the amount of capital itself required to cover the risk of loss arising from the planting of risk-bearing assets and financing all fixed items and bank inventory. All banks in Indonesia are required to provide a minimum capital of 8% of RWA. The greater the Capital Adequacy Ratio (CAR), the greater the bank's profits. In other words, the smaller the risk of a bank the greater the profits the bank receives (Kuncoro and Suharjono, 2006). According to Dendawijaya (2005), CAR is a ratio showing how far all bank assets that contain a ratio showing how far all bank assets that contain risks (credit, investment in securities, invoices to other banks) are financed from the bank's own capital funds in addition to obtaining funds from sources outside the bank, such as public funds, loans (debt), and others. In other words, CAR is the bank's performance ratio to measure the capital adequacy of a bank to support assets that contain or generate risks, such as loans. CAR shows the extent of the decline in bank assets that can still be closed by the available bank equity, the higher the CAR the better the condition of the bank (Tarmidzi, 2005). The amount of CAR indirectly affects ROA because profit is a component forming ROA ratio. Thus, the greater the CAR will affect the greater the bank's ROA so that it can be formulated hypothesis that the CAR has a positive effect on ROA. The results of this study prove that the magnitude of CAR indirectly affect the ROA because profit is a component forming ROA ratio. Thus, the greater the CAR will affect the greater ROA of the bank.

5.2. The Influence of BOPO against ROA

BOPO is the ratio between operating cost to operating income (Siamat, 2003). Operational costs are used to measure the efficient level and ability of banks in conducting their operations. Operational costs are costs incurred by a bank in the course of carrying out its core business activities (such as interest costs, labor costs, marketing costs and other operating costs). Operating income is the bank's main income, which is interest income derived from fund placement in the form of credit and other operating income. Banks that are efficient in reducing their operational costs can reduce losses due to bank inefficiency in managing their business so that profits will also increase. The smaller BOPO shows the more efficient the bank in running its business activities so that the healthier the bank. Bank Indonesia sets the best figure for BOPO ratio to be below 90%, because if the ratio of BOPO exceeds 90% to close to 100% then the bank can be categorized as inefficient in carrying out its operation. The smaller this ratio means the more efficient the operational costs incurred by the bank concerned so that the possibility of a bank in the troubled condition is getting smaller. According to Bank Indonesia, operating efficiency is measured by comparing total operational costs with total operating income or often called BOPO. So it can be arranged a logic that the operating efficiency variables proxied by BOPO negatively affect the Return on Assets (ROA).

According to Bank Indonesia, operating efficiency is measured by comparing total operational costs with total operating income or often called BOPO. So it can be arranged a logic that the operating efficiency variables proxied by BOPO negatively affect the Return on Assets (ROA). The results of this study prove that BOPO negatively affect Return on Assets (ROA).

5.3. The Effect of LDR on ROA

Loan to Deposit Ratio (LDR) which shows the ability of a bank in providing funds to debtors with capital owned by banks and funds that can be collected by the community. The Loan to Deposit Ratio (LDR) reflects the bank's ability to repay the withdrawal of funds by depositors by relying on the credit given as a source of liquidity, in other words, how much credit extension to credit customers can compensate the bank's obligation to immediately meet the demand of depositors wishing to withdraw the money that has been used by the bank to provide the credit provided with total third party funds. The higher the Loan to Deposit Ratio (LDR) ratio indicates the lower the bank's liquidity capability so that the possibility of a bank in problem condition will be higher (Lesmana, 2008), on the contrary the lower Loan Deposit Ratio (LDR) ratio shows the lack of bank effectiveness in channeling credit so that the loss of bank opportunity to earn profit. If the ratio is in the standard set by the

Indonesian bank, then the profit will increase (assuming the bank disbursed the credit effectively). Increased profit, then the Return On Assets (ROA) will also increase, because profit is a component that makes up the Return On Assets (ROA). So the Loan Deposit Ratio (LDR) has a positive and significant effect on Return On Assets (ROA). High LDR in this case does not exceed the specified limit, it will raise the profitability derived from credit interest income so that it can be formulated hypothesis that LDR have positive effect on ROA.

The results of this study prove that the increase in profit, then the Return On Assets (ROA) will also increase, because the profit is a component that form Return On Assets (ROA). So the Loan Deposit Ratio (LDR) has a positive and significant effect on Return On Assets (ROA). High LDR in this case does not exceed the specified limit, it will raise the profitability derived from credit interest income so it can be concluded that the LDR has a positive effect on ROA.

5.4. Effect of CAR, BOPO, and LDR Simultaneously on ROA

Test the relationship between CAR, BOPO, and LDR Simultaneously with ROA with multiple correlation test then obtained correlation coefficient value of $R = 0.840$. The correlation coefficient value $R = 0.840$ is + and the correlation value $\neq 0$. This result indicates that there is a positive relationship between CAR, BOPO, and LDR Simultaneously with ROA. The degree of strength of the relationship between CAR, BOPO and LDR together with ROA is categorized as "very strong" because the value of $R = 0.840$ lies between values of 0.800 to 1.00 (very strong).

The next test is to test whether the relationship between CAR, BOPO, and LDR Simultaneously with ROA with correlation coefficient value of $R = 0.840$ is signified or not. The relationship is said to be signified if the value of $F_{hitung} > F_{table}$ value. Significant means that the relationship is real is in the sense that the existence of CAR, BOPO, and LDR Simultaneously correlated significantly with ROA. The result of significance test shows that the value of $F_{count} = 130,578$ and F_{table} value = 19,16 at level of $\alpha = 0,05$. This result indicates that the value of $F_{count} = 130,578 > F_{table}$ value = 19,16, means that the relationship between CAR, BOPO, and LDR Simultaneously with ROA is significant. Thus it can be concluded there is a significant relationship between CAR, BOPO, and LDR simultaneously with ROA.

Having known that the relationship between CAR, BOPO, and LDR with employee performance is positive and significant. Furthermore to know how big contribution or contribution of existence of CAR, BOPO, and LDR Simultaneously to ROA hence done by analysis by using coefficient of determination. The result of determination coefficient analysis is $R^2 = (R)^2 = (0,840)^2 \times 100\% = 70,5\%$. These results indicate that the contribution or contribution of CAR, BOPO, and LDR is simultaneously equal to 70.5% of ROA.

Last is to know how far functional relationship between CAR, BOPO, and LDR Simultaneously with ROA hence got functional relation $\hat{Y} = 8,453 + 0,317X_1 - 0,262X_2 + 0,562X_3$. The result of this functional relationship can be explained as follows:

- Constant value of 8.453, meaning that if CAR, BOPO, and LDR Simultaneously no then the value of ROA (Y) of 8.453.
- The coefficient value of CAR (X1) is 0.317, meaning that if there is an increase or addition (due to + sign) one unit of CAR (X1) there will be an increase of ROA (Y) of 0.317 one unit.
- The coefficient value of BOPO X2 is -0.262, meaning that if there is an increase or addition (due to sign -) one unit of BOPP (X2) it will decrease ROA (Y) equal to -0.262 one unit.
- The value of LDR (X3) coefficient is 0,562, meaning that if there is an increase or addition (because of + sign) one unit of LDR (X3) it will increase ROA (Y) equal to 0,562 one unit.
- The result of functional relationship between CAR, BOPO, and LDR Simultaneously with ROA is $\hat{Y} = 8,453 + 0,317X_1 - 0,262X_2 + 0,562 X_3$ explains that CAR, BOPO, and LDR simultaneously can be used to predict ROA.

The results of this study prove that CAR, BOPO and LDR simultaneously affect the ROA. This means that if CAR, BOPO, and LDR simultaneously increase then ROA will increase. Conversely, if CAR, BOPO and LDR simultaneously decreases then ROA will decrease. Thus, CAR, BOPO and LDR can simultaneously predict ROA.

6. Conclusions and Suggestion

6.1. Conclusion

There is a positive and significant influence of CAR on ROA. Correlation coefficient $r_{y.1} = 0,483$ and magnitude influence 23,3%. Regression equation $\hat{Y} = 3,224 + 0,243X_1$. This means that ROA is determined by CAR. A good CAR will result in increased ROA and vice versa if CAR is low then ROA is also low.

There is a BOPO negative and significant influence on ROA. Correlation coefficient $r_{y.2} = -0,382$ and magnitude influence 14,6%. Regression equation $\hat{Y} = 2,163 - 0,225X_2$. This means that ROA is determined by BOPO. Decreasing BOPO will result in increased ROA and vice versa if BOPO increases then ROA will decrease.

There is a positive and significant influence of LDR on ROA. Correlation coefficient $r_{y.3} = 0,680$ and magnitude influence 46,2%. Regression equation $\hat{Y} = 5,151 + 0,438X_3$. This means that ROA is determined by the LDR. Increased LDR will result in increased ROA and vice versa if low LDR then ROA is also low.

There is a significant effect of CAR, BOPO, and LDR simultaneously on ROA. The correlation coefficient $R = 0.840$ and the magnitude of influence 70.5%. Regression equation $\hat{Y} = 8,453 + 0,317X_1 - 0,262X_2 + 0,562X_3$. This means that ROA is

determined by CAR, BOPO, and LDR together. Good CAR, BOPO and LDR will result in increased ROA and vice versa if CAR, BOPO, and LDR are low then ROA is also low.

6.2. Suggestion

The level of efficiency proxied by BOPO should be considered. Steps that must be done that should be able to further improve the efficiency, namely by pressing BOPO so that will increase bank profits. The value of beta coefficient which is relatively high and negative significant (equal to -0.382) on BOPO variable gives an indication that if management able to suppress BOPO which means efficiency increase will be very significant to increase of profit which can be seen on the amount of ROA, which in turn will have an impact on increasing of financial performance.

The LDR ratio which is a significant positive dominant factor (0.680) and the LDR needs to be increased as it will have an impact on increasing profits, since LDR variables have a positive relationship to ROA. In addition, CAR also needs to be improved because it has a significant positive relationship to ROA, which in turn will have an impact on the increase of financial performance.

Investment decisions should be considered also by looking at the CAR and LDR factors offered by banking companies, because it is very influential on the level of ROA. Banks should consider CAR and LDR factors in the context of achieving expected earnings levels with due regard to the level of efficiency and quality of credit distribution and efficiency of operating costs and maintaining the interest rates on loans offered.

ROA is the ratio that is used to measure the net profit earned from the use of assets. The higher the ratio the better the asset productivity in obtaining net profit. Next will increase the attractiveness of PD Bank Market Bogor City to investors. Increasing the attractiveness of PD Bank Market Bogor City makes PD Bank Bogor City Market is increasingly in demand by investors, this is because the rate of return or dividend will be greater. All this will affect the stock price of PD Bank Market Bogor City in the capital market is increasing so that ROA will affect the stock price PD Bank Market Bogor City. Thus the importance of ROA because of its usefulness as follows:

As one of its principal uses is its overall nature. If the company already executes good accounting practice then management by using analysis technique Return On Asset (ROA) can measure efficiency of working capital usage, production efficiency and efficiency of sales department.

If the company can have industrial data so that the industry ratio can be obtained, with the analysis of Return On Assets (ROA) can be compared the efficiency of capital use in the company with other similar companies, so it can be known whether the company is under, equal, or above -they. Thus it will be known where the weaknesses and what is strong in the company compared with other similar companies.

Analysis of Return On Assets (ROA) can also be used to measure the efficiency of actions undertaken by the division / section, ie by allocating all costs and capital into the relevant section. The significance of measuring rate of return at the part level is to be able to compare the efficiency of a part with another part within the company.

Return On Asset (ROA) analysis can also be used to measure profitability of each product produced by the company by using a good product cost system, capital and cost can be allocated to various products produced by the company concerned, thus it can be calculated profitability of each product. Thus management will be able to know which products have a profit potential in the longrun.

Return On Assets (ROA) in addition to useful for control purposes, is also useful for planning purposes. For example Return On Asset (ROA) can be used partly basis for return of decision if company will hold expansion

Analysis of Return On Assets (ROA) can also be used to measure the efficiency of actions undertaken by the division / section, ie by allocating all costs and capital into the relevant section. The significance of measuring rate of return at the part level is to be able to compare the efficiency of a part with another part within the company.

This research still has limitations, including many internal factors that are not included as independent variables in this study and do not take into account the influence of external factors, so that the next research is expected to complete the limitations in this research. Besides, it can also be done a more in-depth analysis.

7. Implications

Based on the conclusions and suggestions, the implications of the results of this study can be used for practical decision-making for a period of 1 (one) year and strategic decisions over a period of 5 (five) years. Its goal is to increase LDR and CAR and BOPO ratio decreases so that ROA increases, and ultimately can increase profit. Besides, it can also improve bank health.

The level of efficiency proxied by BOPO should be considered by management. Management should be able to further improve the efficiency, namely by pressing BOPO so that it will increase bank profits. If management is able to suppress BOPO which means increased efficiency will be very significant to the increase in profit that can be seen on the amount of ROA.

The results of this study can argue that the theory of financial management for PD Bank Market Bogor City which discusses financial ratios and financial measures of financial performance partially and overall has been verified.

To prevent the occurrence of financial performance decline, the banks should be able to improve their managerial skills in maintaining the health of banks and anticipate the economic turmoil that occurred.

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