ANALYSIS OF FACTORS AFFECTING OF RETURN ON ASSETS OF BANKING COMPANIES BEFORE AND DURING COVID-19 PANDEMIC

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Abstract

This study seeks to discover the effect of Capital Adequacy Ratio (CAR), Non Performing Loan (NPL), Debt to Equity Ratio (DER) on ROA of IDX-listed banks before and during the covid-19 pandemic. The data collection method used is the documentation method. The population in this study are commercial banks listed on the Indonesia Stock Exchange in 2019 - 2020 with a total of 43 banks. The sample used is 37 Banks using the purposive sampling technique. The data analysis technique used is multiple linear regression analysis, basic assumption test, classical assumption test, and hypothesis testing. The results of this study indicate that CAR does not have a significant positive effect on ROA, NPL has a significant negative effect on ROA, and DER does not have an effect on ROA. There is no difference in CAR, NPL, DER to ROA before and during the covid-19 pandemic. Given the special situation that has an influence on the financial sector in the world, there are no differences in financial performance variables in Indonesia before and during the pandemic. This is due to risk mitigation and Risk Management in banking in Indonesia is good enough so that it does not have a significant impact.

Keywords: *Bank Sector, Capital Adequacy Ratio, Debt To Equity Ratio, Non Performing Loan, Return On Assets*

1. INTRODUCTION

The banking industry is one of the parties that has an important role in the Indonesian financial system, banking has also provided a variety of uses that can be felt by the public as users of banking services. Banks are also one of the trusted alternative solutions for the community. Based on the calculations that the author did on the return on assets in 43 banks registered on the IDX, it was found that in 2019 the average obtained was 0.63% then in 2020 the average return on assets obtained was 0.20%. This indicates that the condition of banks registered on the IDX in the majority in a state of less healthy with a minimum standard set by the FSA of 1.5% has not been achieved. In this case, the covid-19 pandemic condition is one of the external factors in addition to the internal financial performance of banks. Return on assets can be derived from profits generated from the management of banking companies, one of which is related to how the bank distributes its credit. Due to special conditions, namely the covid-19 pandemic in 2019 to 2020 which caused low interest from the public to take credit. As for according to (Mubarok, 2021), profitability is one of the indicators important in assessing the performance of the bank. In other words when it gets bigger the level of profitability ratio of performance finance will also get better.

The rapid spread of the pandemic covid-19 during January to May 2021 significantly curbed the pace of economic activity that was predicted to be optimistic at the beginning of the year. Based on data held by Bank Indonesia, lending performance amounted to 2.28% (yoy) in April 2021, if it is noted through banking liquidity that lending is ready to support the country's economic growth target. The government has set the optimistic economic growth rate for the second quarter of 2021 above 7%. However, during the period of 2021, it is predicted that gross domestic product (GDP) can grow by around 4.1% - 5.1%. As according to INDEF Senior economist Fadhil Hasan said that an important factor causing low credit growth was the lack of public demand, plus the pandemic era (Antara & Silaban, 2021). Although banking liquidity is relatively loose, banks are not easily able to cut interest rates on loans.

Return on assets is the ratio of profit before tax to total assets (Siti Aminah, 2021). Continue to be great Roa displays financial performance that continues to be good, because the level of Return continues to be great. If the ROA increases, it means that the profitability of the industry increases, so the result of the conclusion is an increase in profitability enjoyed by shareholders referring to (Pinasti & Mustikawati, 2018).

Kasmir argued, capital adequacy is an indicator of the bank's performance in covering the decline in assets as a result of losses suffered by the bank and in this case to measure the extent to which the bank's ability to meet its short-term debt at the time of collection. The bank can repay the disbursement of depositors ' funds at the time of collection and also to meet the credit demand submitted by (Kasmir, 2010)

As stated by Latumaerissa (2014), in the process of ensuring the banking industry has sufficient capital to support its business activities, the authority has the responsibility for the adjustment of the minimum amount of capital that must be owned (regulatory capital) useful for reference for the banking industry in the area.

Meanwhile, Pinasti & Mustikawati (2018) highlight that, Non Performing Loan is the difference in total non-performing loans with total loans given to debtors. In addition, it refers to Darmawan that, in other words, non performing loan is a ratio used to measure bank performance in an effort to mitigate payment failures by andesfa & Masdupi debtors, (2019). Non Performing Loan (NPL) is a non-performing loan that shows the inability of the debtor in paying off debt and interest within the period according to the (Latumaerissa, 2014; Permatasari et al., 2017).

Debt Equity Ratio as defined by Sasongko (2019) explains that funding activities are obtained from sources found in owners, giving owners a return on their investment, borrowing money and paying off the amount borrowed, and obtaining and paying off funding from creditors with long-term options. Funding regulations at the company are primarily aimed at the common welfare. Funding provisions adjust the economical source of funds to the company for routine expenditure and investment needs.

Capital Adequacy Ratio shows the extent to which the phenomenon of decline in an asset in a bank company where it still has the opportunity to be covered using equity in available banks, the high level of Capital Adequacy Ratio, the health condition of a bank can be said to be good enough to be one of the indicators. Furthermore, the high level of Capital Adequacy Ratio (CAR), the banking company has a high chance of obtaining higher profits. In addition, the lower the risk to the bank company, the higher the chance of obtaining profits obtained by the bank (Sudarmawanti & Pramono, 2017).

The greater the level of non-performing loans shows unprofessional credit management at a bank company, also an indicator of where the risk level for the bank's credit circulation is high and in line with the high level of non-performing loans experienced by bank companies (Riyadi, 2016). The high level of non-performing loans of banking companies, the impact on return on assets will decrease the lower due to low corporate profit income (Zeuspita & Yadnya, 2019).

The high level of DER indicates that a company will have the opportunity to experience real problems in the long term, in other words, there will be a possibility that a bank company will go bankrupt. The high level of DER company of a bank, reflecting the level of return in a bank has a low level due to the possibility to pay off or repay the debt is also minimal and very small, this causes a relatively high bank risk will occur. Referring to research conducted by (Zeuspita & Yadnya, 2019).

Many variables can affect ROA, as revealed by Dewi et al. (2015) that the variables that affect ROA are LDR, LAR, DER, and CR. Lestari & Widyawati (2014) argue that the variables that affect ROA are CAR, NPL, LDR, and BOPO. Hence, this study aims to determine the effect of Capital Adequacy Ratio (CAR), Non Performing Loan (NPL), Debt to Equity Ratio (DER) on ROA of IDX-listed banks before and during the covid-19 pandemic.

2. LITERATURE REVIEW

2.1. Return on Assets (ROA)

Return on Assets (ROA) is the ratio of Net Profit after tax to total assets. ROA reflects the company's ability to generate net profit after tax from the total assets used in the company's operations. The higher the National, the more efficient the company is in using assets to generate net profit after taxes. Therefore, a higher ROA indicates more effective company performance (Catriwati, 2017). The formula for ROA calculation is:

$$ROA = \frac{\text{Profit Before Tax}}{\text{Average Total Assets}} \; x \; 100\%$$

Return on assets (ROA), this ratio serves to measure the extent to which the performance of bank management in achieving profit as a whole. The greater the rate of return on assets (ROA) of the bank, the higher the rate of profit realized by the bank, and the better the position of the bank in terms of the use of assets (Sutrisno, 2018).

2.2. Capital Adequacy Ratio (CAR)

Latumaerissa (2014) highlight that in the process of ensuring the banking industry has sufficient capital to support its business activities, the authority has the responsibility for the adjustment of the minimum amount of capital that must be owned (regulatory capital) useful for reference for the banking industry in the area. With the existence of regulatory capital can be a component of assessment in bank supervision that can be seen from the fulfillment of capital adequacy ratio.

CAR can also be calculated using this formula:

$$CAR = \frac{\text{Capital}}{\text{Assets Weighted According to Risk}} \; x \; 100\%$$

2.3. Non Performing Loan (NPL)

Non Performing Loan (NPL) shows the performance of the bank in the management of non-performing loans by the bank. Problem loans are loans with substandard quality criteria, doubtful and bad. Non-performing loan is a risk caused by the debtor's inhibition in paying off the debt according to the conditions given by the creditor (Catriwati, 2017). NPL can also be calculated using this formula:

$$\text{NPL} = \frac{\text{Non performing loans}}{\text{Total Credit}} \ x \ 100\%$$

2.4. Debt to equity ratio (DER)

Debt to equity ratio is a comparison of debt with equity in the process of disbursing funds of a company and shows the performance of the company's capital in paying off all its obligations and the high ratio of debt is also high total debt over total equity, also shows the high funding sources of the company to outside parties that have an impact on the level of high corporate risk Hantono, (2015:22) in (Nurdin & Firmansyah, 2020).

$$\text{DER} = \frac{\text{Total Debt}}{\text{Total Equity}} \ x \ 100\%$$

3. RESEARCH METHODS

This is a quantitative research that uses purposive sampling technique. Purposive sampling is a technique or method of determining samples with certain considerations referring to (Sugiyono, 2016). Why is it necessary to use this purposive sampling method because it is necessary in research according to quantitative research or research that is not carried out generalization refers to Sugiyono (2016) there are also several criteria for determining the number of samples. Then the criteria or sampling factors of banking companies refer to purposive sampling techniques that will be used as research samples is, Banking companies are incorporated in the Indonesia Stock Exchange with the publication of financial statements and not delisted in the observation period from 2019 to 2020.

Table 1. Sample Criteria

No.	Criteria	Total Company
1	Banking company listed on Indonesia Stock Exchange (IDX)	43
2	Banking companies that do not fit the criteria.	2
3	Outlier data	4
	Total Sample	37

In an effort to determine the linear relationship between the independent variable to the dependent variable it is necessary to use multiple linear regression analysis. The multiple linear regression equation is formulated:

$$Y = a + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \varepsilon$$

The T test is said to be a partial test that functions in testing the influence of the independent variable on the dependent variable. This test uses a hypothesis consisting of:

$H_0: b_1 = 0$, meaning that the variable X1 has no effect on Y
$H_0: b_1 > 0$, meaning that the variable X1 effect on Y
$H_0: b_2 = 0$, meaning that the variable X2 has no effect on Y
$H_0: b_2 < 0$, meaning that the variable X2 effect on Y
$H_0: b_3 = 0$, meaning that the variable X3 has no effect on Y
$H_0: b_3 > 0$, meaning that the variable X3 effect on Y

In order for researchers to know how much influence the independent variable (X) in total to the dependent variable (Y) then used the F test. The hypothesis is:

a. $H_0: b_1 = b_2 = b_3 = 0$, then there is no significant influence of the independent variable (X) to the dependent variable (Y)
b. $H_0: b_1 \neq b_2 \neq b_3 \neq 0$, then there is a significant influence of the independent variable (X) to the dependent variable (Y)

This different test Model is used to analyze pre-post or before and after research models. A differential test is used to evaluate a particular treatment in the same sample at two different observation periods (Pramana & Mawardi, 2012). Paired sample t-test is used when the data is normally distributed. According to (Mikha, 2013), paired sample t-test is one of the test methods used to assess the effectiveness of treatment, marked by differences in the average before and the average after treatment. The basis for making a decision to accept or reject H0 in this test is as follows:

a. If t statistic > t table and probability (Asymmp.Sig) < 0.05, then H0 is rejected and Ha is accepted.
b. If t statistic < t table and probability (Asymmp.Sig) > 0.05, then H0 is accepted and Ha is rejected.
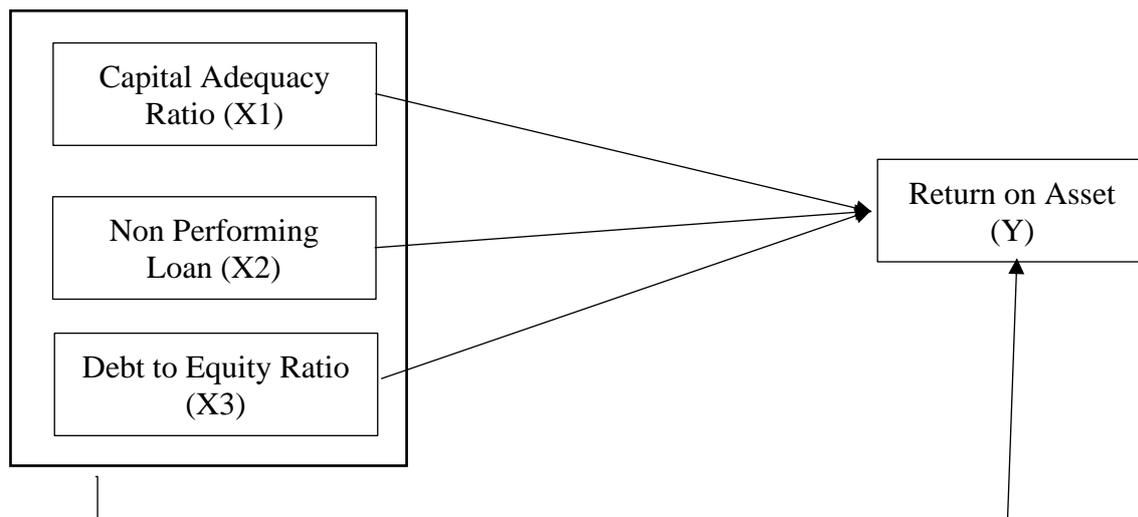

Figure 1. Research Framework

In accordance with the theoretical framework that has been described, the research hypothesis as follows:

H1: there is an influence of capital adequacy ratio on return on assets

H2: the effect of non-performing loans on return on assets

H3: there is an effect of debt to equity ratio on return on assets

H4: there are differences in the influence of capital adequacy ratio, non performing loan, debt to equity ratio on return on assets before and during the Covid-19 pandemic.

4. RESULTS AND DISCUSSION
4.1. Research Results

Table 2. Descriptive Statistics Before Pandemic Covid-19

Descriptive Statistics Before Pandemic Covid-19						
	N	Range	Min	Max	Mean	Std. Deviation
Capital Adequacy Ratio	37	42.97	12.67	55.64	22.6738	8.98215
Non Performing Loan	37	9.36	.80	10.16	3.6108	2.11316
Debt To Equity Ratio	37	9.13	2.20	11.33	5.7349	2.33193
Return On Assets	37	4.56	-1.45	3.11	.8897	.95840
Valid N (listwise)	37					

Table 3. Descriptive Statistics During Pandemic Covid-19

Descriptive Statistics 2020						
	N	Range	Min	Max	Mean	Std. Deviation
Capital Adequacy Ratio	37	35.67	11.62	47.29	24.7789	9.17361
Non Performing Loan	37	12.12	.01	12.13	3.7270	2.48303
Debt to Equity Ratio	37	13.56	2.51	16.07	6.0568	2.72591
Return on Asset	37	7.72	-4.08	3.64	.5219	1.48646
Valid N (listwise)	37					

Table 4. Multiple Linear Regression Before Pandemic

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.797	.740		3.778	.001
	Capital Adequacy Ratio	-.005	.017	-.044	-.274	.786
	Non Performing Loan	-.292	.054	-.644	-5.409	.000
	Debt To Equity Ratio	-.130	.067	-.316	-1.941	.061
a. Dependent Variable: RETURN ON ASSETS						

From the table can be obtained the data for the regression equation is 2.797 for the constant, -0.005 for capital adequacy ratio, -0.292 for non performing loan, and -0.130 for debt to equity ratio. Based on these data, the regression equation before the pandemic can be formulated as follows:

$$Y=2{,}797 +(-0.005X1)+(-0.292X2)+(-0.130X3)$$

Table 5. Multiple Linear Regression During Pandemic

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	**Std. Error**	**Beta**		
1	(Constant)	1.131	1.243		.910	.369
	Capital Adequacy Ratio	.037	.029	.225	1.258	.217
	Non Performing Loan	-.301	.084	-.503	-3.584	.001
	Debt to Equity Ratio	-.065	.098	-.119	-.664	.511
a. Dependent Variable: Return on Asset						

Coefficients[a]

From the table can be obtained the data for the regression equation is 1.131 for constants, 0.037 for capital adequacy ratio, -0.301 for non-performing loans, and -0.065 for debt to equity ratio. Based on these data, the regression equation during a pandemic can be formulated as follows:

$$Y=1{,}131 +(0.037X1)+(-0.301X2)+(-0.065X3)$$

Table 6. T Test Before Pandemic

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.797	.740		3.778	.001
	Capital Adequacy Ratio	-.005	.017	-.044	-.274	.786
	Non Performing Loan	-.292	.054	-.644	-5.409	.000
	Debt To Equity Ratio	-.130	.067	-.316	-1.941	.061
a. Dependent Variable: RETURN ON ASSETS						

Coefficients[a]

Table 7. T Test During Pandemic

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	**Std. Error**	**Beta**		
1	(Constant)	1.131	1.243		.910	.369
	Capital Adequacy Ratio	.037	.029	.225	1.258	.217
	Non Performing Loan	-.301	.084	-.503	-3.584	.001
	Debt to Equity Ratio	-.065	.098	-.119	-.664	.511
a. Dependent Variable: Return on Asset						

Coefficients[a]

Table 8. F Test Before Pandemic

ANOVA[a]						
	Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	17.786	3	5.929	12.802	.000[b]
	Residual	15.282	33	.463		
	Total	33.067	36			
a. Dependent Variable: Return On Assets						
b. Predictors: (Constant), Debt To Equity Ratio, Non Performing Loan, Capital Adequacy Ratio						

Based on the above data, get the result of $f_{statistic}$ equal to 12,802 while f_{table} 2.8. With the test criteria $F_{statistic} > F_{table}$ for a significant relationship, then with the results of $f_{statistic}$ 12.802 shows that $F_{statistic} > F_{table}$ it can be concluded that there is a significant influence between the independent variables, namely Capital Adequacy Ratio, Non-performing Loan and Debt to Equity Ratio to the related variables, namely Return on Assets.

Table 9. F Test During Pandemic

ANOVA[a]						
	Model	**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	27.923	3	9.308	5.950	.002[b]
	Residual	51.620	33	1.564		
	Total	79.544	36			
a. Dependent Variable: Return on Asset						
b. Predictors: (Constant), Debt to Equity Ratio, Non Performing Loan, Capital Adequacy Ratio						

Based on the above data, get the result of $F_{statistic}$ 5.950 while F_{table} 2.8. With the test criteria $F_{statistic} > F_{table}$ for a significant relationship, then with the results of $F_{statistic}$ 5.950 shows that $F_{statistic} > F_{table}$ it can be concluded that there is a significant influence between the Capital Adequacy Ratio, Non-performing Loan and Debt to Equity Ratio to the related variables, namely Return on Assets.

4.2. Discussion

Based on the calculation of partial regression coefficient Test (t-test) can be concluded that the variable CAR has no effect on ROA. These results show that the rise and fall of CAR does not affect ROA. This result is in line with research conducted by Pratama & Isynuwardhana, (2019) entitled "the effect of CAR, NPL, LDR, and BOPO on profitability in the banking industry (Case Study on state-owned banks listed on the IDX in 2012-2017)", that discover no influence of CAR on ROA.

Then this is reinforced by Malimi (2017) which invetigaating the influence of Capital Adequacy, Profitability, and Loan Growth on NonPerforming Loans a Case of Tanzanian Banking Sector, which states that in CAR there is no influence on ROA.

Similarly, in research conducted by Harianto (2017) financial ratios and their effect on profitability at Sharia people's financing banks in Indonesia also stated that there is no influence on CAR on ROA.

Capital Adequacy Ratio is a ratio that shows how far all bank assets that contain a ratio that shows how far all bank assets that contain risk (credit, securities investments, bills on 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 (Sudarmawanti & Pramono, 2017).

A high CAR can lead to a decrease in the bank's ability to expand its business because of the greater capital reserves needed to cover the risk of loss. The delay in business expansion due to the high CAR can ultimately lead to lower bank profits.

Nevertheless, the above results made no difference to the influence of CAR on ROA before and during the covid-19 pandemic, despite the increase in CAR due to financial support from the government/SOEs. In the case of the covid-19 pandemic, it also caused a slowdown in the number of cars before until the time of the covid-19 pandemic. This happens because in the distribution of credit to the community is minimal, the impact of macro-economic decline and in this case the community has a decrease in income, therefore the majority of people hold back for credit in banks.

Based on the calculation of partial regression coefficient Test (t-test) can be concluded that the NPL variable affects the ROA. This result shows that the higher the NPL of the company, the lower the ROA of the company.

This result is in line with the research conducted by Panta (2018) under the title "non-Performing Loans & Bank Profitability: Study of Joint Venture Banks in Nepal". That NPL or nonperforming loans have an influence on Return on assets.

In addition, these results also have similarities with the study conducted by Kingu et al. (2018) Impact of Non-Performing Loans on banks ' Profitability: Empirical Evidence from Commercial Banks in Tanzania which states that there is an influence on NPLs on Return on assets. Likewise, Pinasti & Mustikawati (2018) entitled The Influence of CAR, BOPO, NPL, NIM, and LDR on the profitability of commercial banks for the period 2011-2015, that there is an influence on NPL on ROA.

If a bank's Non-performing loan condition is high, it will increase other costs, so that it has the potential to lose the bank (Kingu et al., 2018). The higher the ratio of Non-performing loans, the worse the quality of credit that causes the number of non-performing loans is getting bigger so that it can cause the possibility of a bank in a problematic condition is getting bigger (Sudarmawanti & Pramono, 2017).

This is also supported by Sutrisno (2018) that Non-performing loans reflect credit risk, the higher non-performing loans result in higher interest arrears which have the potential to reduce interest income and reduce profits. Conversely, the lower the Non-performing loan, the higher the Return on Assets (ROA)

The higher the NPL of a bank, the worse the bank's credit quality which will result in a larger number of non-performing loans. Higher NPLs allow banks in troubled conditions to get bigger. Problem loans are loans with substandard quality, doubtful and bad. The higher the NPL will result in a decrease in the bank'S ROA because the greater the number of customers who do not pay their obligations, so the bank's income derived from mortgage interest will decrease and conversely.

Then based on the results above, there was no difference before and during the pandemic on the influence of NPL on ROA, it can indeed be seen that there was a decrease

in the NPL ratio during the pandemic, but the decrease was not found to be a difference in the return on assets of banking companies. This is because the decline that occurred was not too significant and was accompanied by credit risk management that had been carried out by banking companies in the face of the covid-19 pandemic.

Based on the calculation of partial regression coefficient Test (t-test) can be concluded that the DER variable has no effect on ROA. This result shows that the high and low DER of the bank company can not determine the high and low ROA of the company.

This is in line with the results of a study conducted by Zeuspita & Yadnya (2019) entitled The effect of CAR, NPL, DER, LAR on ROA in commercial banks on the Indonesia Stock Exchange, which states that DER has no influence on ROA.

Likewise, Sutrisno (2018) also agrre that the greater the Debt to Equity Ratio reflects that the capital structure utilizes debt more than its own capital. The more debt, the greater the risk borne by the shareholders and also reduce the rate of Return (return) is expected.

Further, Zeuspita & Yadnya (2019) emphasize that the high DER indicates that the company will have real problems in the long run, one of which is the possibility of bankruptcy. The higher the DER of a bank, indicating that the return on assets in the bank is lower because the ability to pay its debts is low, this reflects the bank's risk is relatively high.

The higher the DER indicates that the total debt is high where the amount of creditor funds coming in so that it can be used to generate or increase profits (ROA). If the debt is able to be managed properly by the bank's management, it will increase bank profits.

Then for the results above, it shows that there is no difference in the influence of DER on ROA before and during the covid-19 pandemic. It is also linear with other variables that the level of debt to equity before and during the pandemic, is no different, because banking companies maintain the DER ratio during the pandemic even though it does not have an influence on the company'S ROA.

Based on the calculation of simultaneous regression coefficient test (F-test) can be concluded that the variables CAR, NPL, DER to ROA significant positive effect on ROA. These results indicate that the above financial performance has an impact on the company'S ROA.

Similar result was revealed by Zeuspita & Yadnya (2019) with a research entitled The effect of CAR, NPL, DER and LAR on ROA in commercial banks on the Indonesia Stock Exchange, they concluded that CAR, NPL, DER, simultaneously have an influence on ROA.

Then it was also strengthened by Sutrisno (2018) with a research entitled The effect of Debt to Equity Ratio (DER), Capital Adequacy Ratio (CAR), Non Performing Loan (NPL) and Loan to Deposit Ratio (LDR) on Return on Assets (ROA) in banks listed on the Indonesia Stock Exchange

Based on the calculation of the simultaneous regression coefficient Test (t-test) through the paired t test test, it can be concluded that there is no difference in the influence of CAR, NPL, DER on ROA before and during the covid-19 pandemic. Given the special situation that has an influence on the financial sector in the world, there are no differences in financial performance variables in Indonesia before and during the pandemic. This is

due to risk mitigation and Risk Management in banking in Indonesia is good enough so that it does not have a significant impact.

As revealed by Sutrisno (2020) that found no difference in the financial performance variables of banking companies. This is also reinforced by a study conducted by Ayuni & Situmorangm (2021), with a research entitled "The Effect of Covid-19 Pandemic on the Performance of Islamic banks in Indonesia" that also found no difference in the financial performance variables of banking companies.

In each variable, a difference test was also carried out before and during the covid-19 pandemic. The test results showed that there was no difference between ROA, CAR, NPL, DER before and during the pandemic.

5. CONCLUSION

Based on statistical data processing, description, and analysis of the data that has been done and described by the author, then from this study came the following conclusions, there is no influence between CAR on ROA in banking companies registered on the IDX before and during pandemic covid-19. Hence, the higher the company CAR, the ROA that occurs is not necessarily high. Conversely, if the lower the CAR then not necessarily lower ROA enterprise. There is an influence between NPL and ROA in banking companies registered on the IDX before and during pandemic covid-19. Which means, the higher the NPL, the ROA that occurs is also significantly higher. There is no influence between DER and ROA in banking companies registered on the IDX before and during pandemic covid-19. Therefore, the higher the DER of the company, the lower the ROA that occurs significantly. Conversely, if the lower the DER of the company, the higher the ROA of the company. There is no difference between CAR, NPL, DER and ROA in banking companies registered on the IDX before and during pandemic covid-19. This shows that pandemic conditions do not make a difference to banking companies because they have good financial performance risk management.

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