The Effect of Net Interest Margin, Operating Cost of Operating Income, and Loan to Deposit Ratio on Return on Asset At PT Bank Commonwealth Period 2012-2022

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Abstract: Profitability is a ratio to assess the company's ability to seek profit. This ratio also provides a measure of the effectiveness of a company's management. Profitability at PT Bank Commonwealth for the period 2012-2022 decrease. This study aims to determine the effect of Net Interest Margin, Operating Cost of Operating Income, Loan to Deposit Ratio on Return On Asset for the period 2012-2022. This research uses quantitative methods with a descriptive verification approach. The data source used is secondary data with documentation data collection in the form of annual financial reports and purposive sampling techniques.The results showed that the average of -0.05% was categorized as unhealthy and was below Bank Indonesia's provisions for a healthy Return On Asset category of 1.5%. Net Interest Margin average of 4.88% which is categorized as unhealthy because it is below the provisions of Bank Indonesia for the healthy category of 6%. Operating Cost of Operating Income average of 100.9% which is categorized as unhealthy because it is above the provisions of Bank Indonesia for the healthy 89%. The average Loan to Deposit Ratio is 87.9 which is categorized as healthy, however, the Loan to Deposit Ratio at the end of the research period in 2022 is 76.61% and is below the bank's health which is 80%-110%. Partially Net Interest Margin has a significant effect on Return On Asset with a contribution of 58.5%. Operating Cost of Operating Income has a significant effect on Return On Asset with a contribution of 14.3%. Loan to Deposit Ratio has no significant effect on Return On Asset with a contribution of 0.6%. Together (simultaneously) Net Interest Margin, Operating Cost of Operating Income, Loan to Deposit Ratio have a significant effect on Return On Asset with a contribution of 64.9% at PT Bank Commonwealth Period 2012-2022.

Keyword: Net Interest Margin, Operating Cost of Operating Income, Loan to Deposit Ratio, Return On Asset
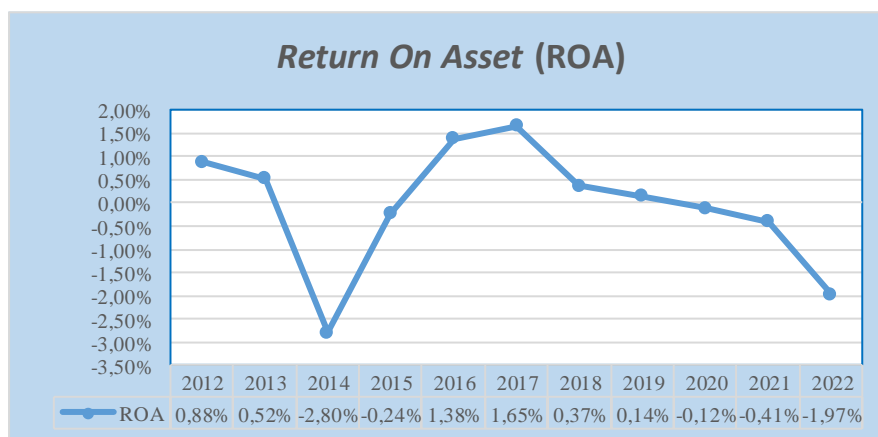
INTRODUCTION

The global financial crisis was a crisis that occurred in the range of 2008-2010. The global financial crisis caused many countries to go into recession. A large number of banks and financial institutions collapsed, received bailouts or had to undergo major restructuring in

the aftermath. This crisis affects the business performance of financial institutions and also affects competition in the banking system. When an economic crisis occurs, the existing rules are not enough to maintain the stability of the financial system.

According to Indonesian Law Number 10 of 1998, "Bank is a business entity that collects funds from the public in the form of deposits and disburses them to the public in the form of credit and or other forms in order to improve the lives of many people." Bank Indonesia can assess the health level of a bank using the CAMELS criteria (Capital, Asset, Management, Earning, Liquidity and Sensitivity to Market Risk). One ratio that is considered appropriate for measuring the performance of a bank is profitability. According to Kariyoto (2017: 207) explains that "Ratio analysis to measure achievements that have been obtained in the past, as well as a picture to generate income in the future. The ratio analysis guidelines are also used as instruments for comparing the productivity of businesses run by debtors." According to Kasmir (2020: 196), "Profitability is the company's ability to seek profit. Measurement of profitability can be measured using the Return On Asset ratio," According to Munawir (2014: 89) the amount of Return On Asset is influenced by 2 (two) factors, namely: Turnover of Operating assets (the rate of turnover of assets used for operations) and Profit margin, as a percentage of profit from total net sales. this rate of return measures the amount of profit the company makes on sales. According to Hery (2018:7), "Management is the process of coordinating work activities efficiently and effectively with and through other people." The main objective of financial management is to maximise company value or increase the value of shareholder assets. According to Hery (2017: 5).

This research was conducted at PT Bank Commonwealth is a foreign exchange bank that ranks No.44 listed in the Financial Services Authority with a Return On Asset value that has decreased over the past few years.The condition of Return On Asset at PT Bank Commonwealth. The period 2012-2021 can be seen in Figure 1


	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
ROA	0,88%	0,52%	-2,80%	-0,24%	1,38%	1,65%	0,37%	0,14%	-0,12%	-0,41%	-1,97%

Source: Annual Report PT Bank Commonwealth (Data processed, 2023)
Figure 1 *Return On Asset* PT Bank Commonwealth.

Based on Figure 1, it is known that Return On Asset has decreased until the year, where in 2022 the Return On Asset value is -1.97%, the standard for a good Return On Asset value according to the criteria for assessing the health of commercial banks is 1.5% (Bank Indonesia Circular Letter Number 13/24 / DPNP / 2011). The cause of the increase or decrease in Return On Asset is caused by the level of turnover of assets used for operations and profit margin, which is the operating profit expressed as a percentage and the amount of net sales. The impact of this decline indicates that the bank is increasingly ineffective in generating profits.

The three factors that are thought to be the most dominant in influencing Return on Asset, namely Net Interest Margin, Operating Cost of Operating Income, and Loan to Deposit Ratio. Return On Asset is thought to be influenced by Net Interest Margin, Operating Cost of Operating Income and Loan to Deposit Ratio, in accordance with the results of Anggraeni & Citarayani's research (2022) that Capi-tal Adequacy Ratio, Net Interest Margin, Loan to Deposit Ratio, Non Performing Loan and Operating Cost of Operating Income together affect Return On Asset. The research of Ramadanti & Setyowati (2022) that Non Performing Loan, Loan to Deposit Ratio, Operating Cost of Operating Income, and Net Interest Margin simultaneously affect Return On Asset.Shown in Figure 2, Figure 3, and Figure 4.
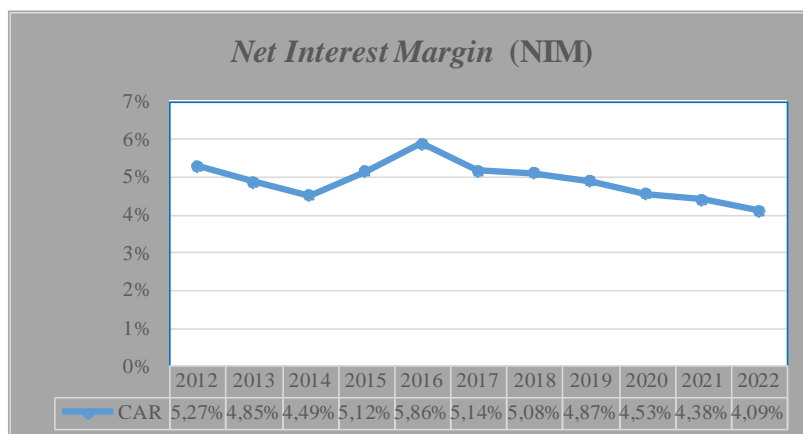
Source: Annual Report PT Bank Commonwealth (Data processed, 2023)
**Figure 2 *Net Interest Margin* PT Bank Commonwealth**

Based on Figure 2, it is known that the Net Interest Margin at PT Bank Commonwealth has decreased in 2012-2022 with a Net Interest Margin value of 4.09%, so the bank is declared unhealthy because the Net Interest Margin according to BI standard provisions, which is above 6%, can be declared healthy.This is proportional to the decline in net interest income from PT Bank Commonwealth throughout 2022. Where the higher the interest income earned from loans disbursed, the bank's profit will also increase. This is in line with the research of Wulansari & Chandra (2022), Ramadanti & Setyowati (2022), Natanael&Mayangsari (2022), Hidayat et al (2022), and Yuhasril (2019) which state that Net Interest Margin has a significant effect on Return On As-set. In contrast to the research of Anggraeni & Citarayani (2022) and Rem-bet & Bramuli (2020) which state that Net Interest Margin has no significant effect on Return On Asset.
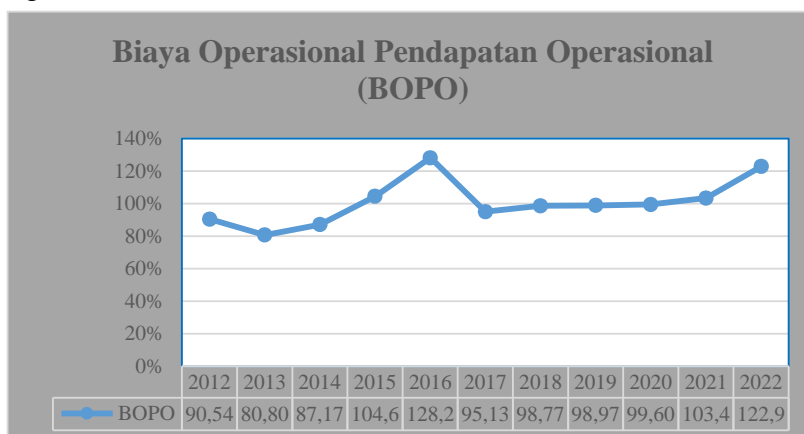
Source: Annual Report PT Bank Commonwealth (Data processed, 2023)
Figure 3 Operating Expenses Operating Income PT Bank Commonwealth

Based on Figure 3, it is known that the level of Operating Expenses for Operating Income has increased from 2012-2022 with a value of 122.93%. the increase shows a bad position because the bank's efficiency level is getting lower in terms of managing operations so that it can cause a decrease in Return On Asset. The greater the Operating Expenses for Operating Income number, the worse the management of the bank. According to BI, the best number for Operating Expenses for Operating Income is below 90%. If the Operating Expenses for Operating Income ratio exceeds 90% or approaches 100%, then the bank is categorized as inefficient in running its operations. This is supported by the research of Anggraeni & Citarayani (2022), Putri et al (2022), Wulansari & Chandra (2022), Ramadanti & Setyowati (2022), Pray-oga et al (2022), Hidayat et al (2022) Dewanti et al (2022) and Yuhasril (2019) which state that Operating Expenses Operating Income has a significant effect on Return On Asset. But it is different from the research of Rembet & Bramuli (2020) which states that Operating Costs of Operating Income have no significant effect on Return On Asset.
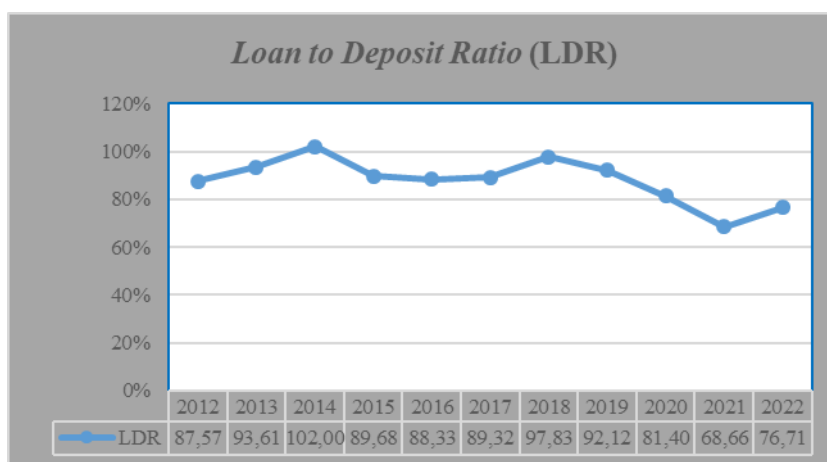
Source: Annual Report of PT Bank Commonwealth (Data processed, 2023)
Figure 4. Loan to Deposit Ratio PT Bank Commonwealth

Based on Figure 4, it is known that the level of Loan to Deposit Ratio has decreased. In 2014, the highest number was 102.00% and decreased from 2015-2022 with a value of 76.71%. The decline in the Loan to Deposit Ratio needs to be watched out for due to the crisis and bank liquidity difficulties. This shows that the Loan to Deposit Ratio is below the health standards set by Bank Indonesia of at least 80% and a maximum of 100%. This is in line with the research of Hidayat et al (2022) which states that the Loan to Deposit Ratio has a significant effect on Return On Asset. But it is different from the research of Anggraeni & Citarayani (2022), Putri et al (2022), Wulansari & Chandra (2022), Ramadanti & Setyowati (2022) Suroso (2022), Rembet & Bramuli (2020), Dewanti et al (2022) and Yuhasril (2019) which state that Loan to Deposit Ratio has no significant effect on Return On Asset.

METHOD

The method used in this research is quantitative research method with descriptive and verification approaches, the type of data used in this research is quantitative data. The data source used is secondary data. Data collection techniques using the documentation method, To determine the sample to be used in the study, researchers used Non-probability Sampling with Purposive Sampling technique. The population is all annual financial reports at PT Bank Commonwealth. Data analysis techniques and hypothesis testing using descriptive analysis and verification analysis, namely the Classical Assumption Test, . Regression Analysis, Correlation Coefficient Analysis, Coefficient of Determination Analysis and Hypothesis testing in which there is a Partial Test (t Test) and Simultaneous Test (F Test).

RESULTS AND DISCUSSION

Methods Used This research was conducted at pada PT Bank Commonwealth Periode 2012-2022 The author uses quantitative research methods with descriptive and verification approaches.

Return on Asset

According to Fahmi (2017: 137), "is a ratio that looks at the extent to which the investment that has been invested is able to provide a return on profits as expected. Fahmi (2017: 137)." According to (Hendrawan & Lestari, 2017), "Return on Asset a variable that states how an entity's ability to manifest assets to generate profits."

Net Interest Margin

According to Dendawijaya (2015:122), "is a ratio used to measure the ability of bank management to manage its productive assets to generate net interest income." This variable is a variable that can determine the ability of banking management to realise net savings from productive assets owned by the entity (Sugiarto & Lestari, 2018).

Operating Expenses Operating Income

According to Hasibuan (2017: 101) that "Operating Expenses Operating Income is a comparison of operating expenses in the last 12 months to operating income in the same period." The relationship between Operating Expenses Operating Income and Return On Asset is that the smaller the Operating Cost of Operating Income means the more efficient the operating costs incurred by the bank concerned so that the possibility of a bank in problematic conditions is smaller. The higher the Operating Cost of Operating Income means that the bank has not been able to carry out its operational activities efficiently so that it will have an impact on Return On Asset will decrease." According to Nugroho & Walda Harianto (2022: 98), "is the ratio between operating expenses and operating income."

Loan to Deposit Ratio

Loan to Deposit Ratio is a ratio used to measure the composition of the amount of credit provided compared to the amount of public sim-panan funds and own capital used. Loan to Deposit Ratio indicates how far the bank's ability to repay withdrawals made by depositors by relying on the amount of credit provided as a source of liquidity (Hery, 2020). The definition of Loan to Deposit Ratio according to the Indonesian Bankers Association (2018: 12), "Loan to Deposit Ratio is the ratio between the total volume of loans disbursed by banks and the amount of funds received from various sources."

Descriptive Analysis

According to Sugiyono (2019:206), "Descriptive analysis is a statistic used to analyse data by describing or describing the data that has been collected without drawing conclusions or generalisations that apply generally. The results of descriptive statistical calculations of Return on Asset at PT Bank Commonwealth for the 2012-2022 period.

Table 1. Statistik Deskriftif

	N	Minimum	Maximum	Mean	Std. Deviasi
Return on Asset	11	-0,280	1,65	-0,00545	0,133253
Net Interest Margin	11	0,4090	0,586	0,48800	0,049269
Operating Expenses Operating Income	11	0,8080	1.2827	1.009336	0,1413486
Loan to Deposit Ratio	11	0,6866	1.0200	0,879209	0,0945089

Source: SPSS 25 output results (data processed, 2023)

Based on Table 1, it can be seen that the Return on Asset at PT Bank Commonwealth for the period 2012-2022 resulted in an average of -0.054% and showed an unhealthy category. Net Interest Margin An average of 4.88% indicates an unhealthy category, Operating Expenses Operating Income An average of 100,933% indicates an unhealthy category, and Loan to Deposit Ratio The average of 87.92% shows a healthy category, however, at the end of the research period in 2022 with a value of 76.61% in accordance with Bank Indonesia regulations it is said to be unhealthy. This must be a concern for management because the decrease in funds disbursed is quite large.

Verificative Analysis

The verification approach according to Sugiyono (2019: 118), "The verification approach is a research method through proof to test the hypothesis of descriptive research results with statistical calculations so that the results of the proof are obtained which show the hypothesis is rejected or accepted."

1. Classical Assumption Test
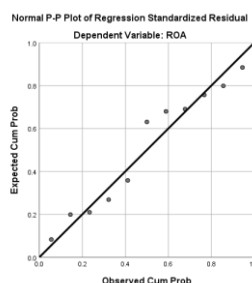
    a) Normality Test

Figure 5 Normal P *Plot of Regression Standardized Residual Dependent Variabel Return on Asset*
Source: SPSS 25 output results (data processed, 2023)

Based on Figure 5, the data spreads around the diagonal line and follows the direction of the diagonal line, so the regression model has normal residuals. Thus, the regression model fulfils the assumption of normality.

    b) Linearity Test

Table 2. Linearity Test Results

ANOVAª

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.001	3	.000	9.207	.008ᵇ
	Residual	.000	7	.000		
	Total	.002	10			

a. Dependent Variable: ROA
b. Predictors: (Constant), LDR, NIM, BOPO
Source: SPSS 25 output results (data processed, 2023)

Based on Table 2 shows that the significance value of 0.008 is less than 0.05, so there is no linear relationship between variables. So that the linearity assumption in the regression model has been fulfilled.

c) Multicollinearity Test

Table 3. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	NIM	.721	1.386
	OCOI	.671	1.490
	LDR	.580	1.725

Source: SPSS 25 output results (data processed, 2023)

Based on table 3 shows that the NIM, OCOI, and LDR variables have a VIF value smaller than 10 and a Tolerance value greater than 0.1 or 10%. So it can be said that there is no multicollinearity or no correlation between independent variables. So that the assumption of multicollinearity in the regression model has been fulfilled.
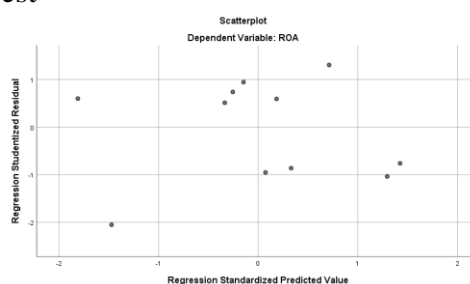
d) Heteroscedasticity Test

Figure 6 *Scatterplot*
Source: SPSS 25 output results (data processed, 2023)

Based on Figure 6, it shows that the points spread above and below the number 0 on the Y axis, so there is no heteroscedasticity. Thus, the assumption of heteroscedasticity in the regression model has been fulfilled.

e) Autocorrelation Test

Table 4. Autocorrelation Test Results
Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.893a	.798	.711	.0071615	1.515

Source: SPSS 25 output results (data processed, 2023)

Based on table 4 shows that the Durbin Watson test results show the amount of d value of 1.515. This Durbin Watson value is between -2 to +2, meaning there is no autocorrelation indicated.

2. Regression Analysis

Table 5 Simple Regression Analysis Net Interest Margin on Return on Asset Results

Model		Coefficientsa	
		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	-1.015	.285
	NIM	2.068	.581

Source: SPSS 25 output results (data processed, 2023)

Y = -1.015 + 2.068 X

The constant value (a) of -1.015 means that Return on Asset is constant at -1.015 units if there is no change in Net Interest Margin.The Net Interest Margin regression coefficient of 2.068 means that if the Net Interest Margin value increases by one unit, it will increase the dependent variable (Y), namely Return on Asset by 1.053.

Table 6 Simple Regression Analysis Operating Expenses Operating Income on Return on Asset Results

		Coefficients^a	
		Unstandardized Coefficients	
Model		B	Std. Error
1	(Constant)	-.010	.320
	OCOI	.004	.314

Source: SPSS 25 output results (data processed, 2023)

Y = -0.001 + 0.004 X

The constant value (a) of -0.001 means that Return on Asset will be constant at -0.001 units if there is no change in Operating Cost of Operating Income.The regression coefficient of Operational Cost of Operating Income of 0.004 means that if the value of Operational Cost of Operational Income increases by one unit, it will reduce the dependent variable (Y), namely Return on Asset by 0.003.

Table 7 Simple Regression Analysis *Loan to Deposit Ratio* on Return on Asset Results

		Coefficients^a	
		Unstandardized Coefficients	
Model		B	Std. Error
1	(Constant)	-.014	.415
	LDR	.010	.470

Source: SPSS 25 output results (data processed, 2023)

Y = -0.14 + 0.010 X

Based on table 4.11, it can be seen that the constant value (a) of -0.14 means that Return on Asset will be constant at -0.14 units if there is no change in Loan to Deposit Ratio.The Loan to Deposit Ratio regression coefficient of 0.010 means that if the Loan to Deposit Ratio value increases by one unit, it will increase the dependent variable (Y), namely Return on Asset by -0.13.

Table 8 Multiple Linear Regression Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.027	.036		-.740	.483
	NIM	2.844	.541	1.052	5.255	.001
	OCOI	-.039	.020	-.411	-1.979	.088
	LDR	-.083	.031	-.592	-2.653	.033

Source: SPSS 25 output results (data processed, 2023)

Y = -0.027+ 2.844X1 + (-0.039)X2 + (-0.095)X3

Based on table 8 and the regression equation above, it can be explained as follows:
a. The constant value is -0.027 and is negative. This can be interpreted that Return on Asset is -0.027 if each of the variables Net Interest Margin, Operating Expenses Operating Income, Loan to Deposit Ratio in this study is 0 (zero).

b. The regression coefficient of the Net Interest Margin variable is 2.844, which means that if the other independent variables are constant and the Net Interest Margin increases by 1%, the Return on Asset will increase by 2.817. The coefficient is positive, meaning that there is a positive relationship between Net Interest Margin and Return on Asset. Sig. value of Net Interest Margin 0.001 <0.05, then Net Interest Margin has a positive and significant effect on Return on Asset.

c. The regression coefficient of the Operating Income Operating Cost variable is -0.066. The coefficient is negative, meaning that there is a negative relationship between Operating Cost of Operating Income and Return on Asset. Sig. value of Operating Cost of Operating Income 0.088> 0.05, then Operating Cost of Operating Income has a negative and insignificant effect on Return on Asset.

d. The regression coefficient of the Loan to Deposit Ratio variable is -0.11. The coefficient is negative, meaning that there is a negative relationship between Loan to Deposit Ratio and Return on Asset. Sig value. From Loan to Deposit Ratio 0.033 <0.05, then Loan to Deposit Ratio has a negative and significant effect on Return on Asset.

3. Correlation Coefficient Analysis
In correlation analysis, what is sought is the correlation coefficient, which is a number that states the degree of relationship between the independent variable (X) and the dependent variable (Y). The correlation coefficient analysis is used to describe the closeness of the relationship between the observed variables. The strength or weakness of the relationship between variables or whether or not the relationship between variables is determined by the magnitude of the correlation coefficient between these variables. If the relationship between two variables X and Y is said to be weak, of course it is not possible to estimate the magnitude of variable Y based on the value of X (Lubis, 2021: 221).

Table 9 Correlation Coefficient Analysis Results

Correlations		ROA	NIM	OCOI	LDR
ROA	Pearson Correlation	1	.765[**]	.005	.007
	Sig. (2-tailed)		.006	.989	.983
	N	11	11	11	11
NIM	Pearson Correlation	.765[**]	1	.136	.390
	Sig. (2-tailed)	.006		.690	.235
	N	11	11	11	11
OCOI	Pearson Correlation	.005	.136	1	-.460
	Sig. (2-tailed)	.989	.690		.155
	N	11	11	11	11
LDR	Pearson Correlation	.007	.390	-.460	1
	Sig. (2-tailed)	.983	.235	.155	
	N	11	11	11	11

Source: SPSS 25 output results (data processed, 2023)

Table 10 Interpretation of Correlation Coefficient

Interval Koefisien	Tingkat Korelasi
0,00 – 0,199	Korelasi Sangat Rendah
0,20 – 0,399	Korelasi Rendah
0,40 – 0,599	Korelasi Sedang
0,60 – 0,799	Korelasi Kuat
0,80 – 1,000	Korelasi Sangat Kuat

Source:Sugiyono (2018: 230)

Correlation calculations show that:

a. The correlation between Net Interest Margin and Return on Asset partially is 0.765. Based on the correlation criteria table, the figure of 0.765 is included in the correlation interval value between 0.60 - 0.799 which has a strong correlation relationship. Because the results are positive, it can be concluded that any increase in Net Interest Margin will increase Re-turn on Asset.

b. The correlation between Operating Cost of Operating Income with Return on Asset partially is 0.005. Based on the correlation criteria table, the figure of 0.005 is included in the correlation interval value between 0.00 - 0.199 which has a very low correlation relationship. Because the results are positive, it can be concluded that any increase in Operating Costs of Operating Income will increase Return on Asset.

c. The correlation between Loan to Deposit Ratio Cost and Return on Asset partially is 0.007. Based on the correlation criteria table, the figure of 0.007 is included in the correlation interval value between 0.00 - 0.199 which has a very low correlation relationship. Because the results are positive, it can be concluded that any increase in Loan to Deposit Ratio will increase Return on Asset.

Table 11 Multiple Correlation Analysis Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.893[a]	.798	.711	.0071615	1.515

Source: SPSS 25 output results (data processed, 2023)

It can be seen that the correlation between Net Interest Margin, Operating Cost of Operating Income and Loan to Deposit Ratio on Return on Asset simultaneously is 0.893. Based on the correlation criteria table, the figure of 0.893 is included in the correlation interval value between 0.80-1.000 which has a very strong correlation relationship. Because the results are positive, it can be concluded that any increase in Net Interest Margin, Operating Expenses for Operating Income and Loan to Deposit Ratio on Return on Asset will increase Return on Asset.

4. Coefficient of Determination Analysis

Table 12 Partial Determination Coefficient of Net Interest Margin on Return on Asset Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.765[a]	.585	.538	.0090540

Source: SPSS 25 output results (data processed, 2023)

From the calculation results, the R^2 value is 0.585 or 58.5, which means that the Return on Asset of 58.5% is influenced by the independent variable (X), namely Net Interest Margin while the remaining 41.5% is influenced by other factors.

Table 13 Partial Determination Coefficient of Operating Expenses for Operating Income on Asset Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.378[a]	.143	.048	.032092

Source: SPSS 25 output results (data processed, 2023)

From the results of the calculation, the R^2 value is 0.143 or 14.3%, which means that the Return on Asset of 14.3% is influenced by the independent variable (X), namely the Operating Cost of Operating Income so that 85.7% is influenced by other factors.

Table 14 Partial Determination Coefficient of *Loan to Deposit Ratio* on Asset Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.080[a]	.006	-.104	.03455

Source: SPSS 25 output results (data processed, 2023)

From the calculation results, the R^2 value is 0.006 or 0.6%, which means that the Return on Asset of 0.6% is influenced by the independent variable (X), namely the Loan to Deposit Ratio Cost, while the remaining 99.4% is influenced by other factors.

Table 14 Simultaneous Coefficient of Determination Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.805[a]	.649	.498	.023299

Source: SPSS 25 output results (data processed, 2023)

It can be seen that the R square value is 0.649 or 64.9%, which means that Re-turn on Asset of 64.9% is influenced by the three independent variables (X) while the remaining 35.1% is influenced by other factors.

5. Hypothesis Testing

   a) Partial Hypothesis Testing (t test)

   According to Ghozali (2018: 98), "The t statistical test basically shows how far the influence of one explanatory / independent variable individually in explaining the variation in the dependent variable."

Table 15 Partial Hypothesis Testing (t test) Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.103	.118		.869	.414
	NIM	5.527	1.761	.828	3.139	.016
	OCOI	-.178	.064	-.764	-2.794	.027
	LDR	-.207	.102	-.595	-2.021	.083

Source: SPSS 25 output results (data processed, 2023)

It can be seen that:

1. The first hypothesis shows that the Net Interest Margin variable obtained a t value of 3.139. Where t count is greater than t table (3.139> 2.365), so it can be interpreted that H0 is rejected. With a significance value of 0.016 <0.05 so that H0 is rejected, meaning that partially Net Interest Margin has an influence on Return on Asset at PT

Bank Commonwealth Period 2012-2022. This shows that when Net Interest Margin increases, the Return on Asset obtained by the bank will experience a significant increase and vice versa.

2. The second hypothesis shows that the Operating Cost of Operating Income variable obtained a t value of -2.794. Where t count is greater than t table (2.794 < 2.365), so it can be interpreted that H0 is rejected. In addition, the significance value is 0.027> 0.05 so that H0 is rejected, meaning that partially there is an effect of Operating Costs on Return on Asset at PT Commonwealth Bank for the 2012-2022 Period.

3. The third hypothesis shows that the Loan to Deposit Ratio variable obtained a t value of -2.021. Where t count is greater than t table (2.021 < 2.365), so it can be interpreted that H0 is accepted. The significance value of 0.083 <0.05 H0 is accepted, meaning that partially there is no significant effect of Loan to Deposit Ratio on Return on Asset at PT Bank Commonwealth for the period 2012-2022.

b) Simultaneous Hypothesis Testing (F Test)

The F test is used to see how the influence of all the independent variables together on the dependent variable.

Table 16 Simultaneous Hypothesis Testing (F Test) Results

ANOVAᵃ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.142	3	.047	9.207	.008ᵇ
	Residual	.036	7	.005		
	Total	.178	10			

Source: SPSS 25 output results (data processed, 2023)

It can be seen that the results of the F test show the calculated F value of 9.207 with a significance of 0.008 <0.05 so that H0 is rejected, meaning that simul-taneously there is a significant effect of Net Interest Margin Operating Cost Operating Income, and Loan to Deposit Ratio on Return on Asset at PT Bank Commonwealth Period 2012-2022.

CONCLUSION

Return on Asset PT Bank Commonwealth for the period 2012-2022 experienced fluctuations tending to decrease with an average (Mean) of -0.05% indicating an unhealthy category is below the provisions of Bank Indonesia for a healthy Return on Asset category of 1.5%. Net Interest Margin at PT Bank Commonwealth for the period 2012-2022 has decreased with an average (Mean) of 4.88%, indicating that the unhealthy category is below the provisions of Bank Indonesia for a healthy Net Interest Margin category of 6%. Operating Expenses Operating Income at PT Bank Common-wealth for the period 2012-2022 experienced fluctuations tending to increase with an average (Mean) of 100.9% indicating an unhealthy category is below the provisions of Bank Indonesia for the category of healthy Operating Expenses which is 90%. shows unhealthy performance and must be anticipated so that there is no greater increase in Operating Cost of Operating Income in the following year. Loan to Deposit Ratio at PT Bank Commonwealth for the period 2012-2022 has decreased with an average (Mean) of 87.92%, indicating that it is within the Bank Indonesia standard limit of 80% - 100%. However, in 2022 it was 76.61% and this was below Bank Indonesia standards.

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