ABSTRACT

Banks are part of the banking system, in the form of a business entity that collects funds from the public in the form of deposits and distributes them to the public in the form of credit and or other forms in order to improve the standard of living of the people at large so that the function of banks in banking is a very important part of the economy. This study aims to analyze credit performance against the level of profitability of conventional commercial banks listed on the Indonesia Stock Exchange 2016-2019.

The sampling technique used in this study was a non-probability sampling technique with a purposive sampling category so that the sample used in this study were 40 banking companies that met the criteria. The object of research is the financial data of banking companies listed on the Indonesia Stock Exchange in 2016 - 2019. The research was conducted using secondary data in the form of audited financial reports. The data analysis method used is multiple linear regression.

The results showed that the effect of the CAR and NPL ratios, respectively, had a negative and significant effect on ROA while the LDR ratio had a positive and significant effect on ROA. Simultaneously, the CAR, LDR, and NPL ratios have a significant effect on ROA. The estimation results of the model used in this study indicate that credit performance (CAR, LDR, and NPL) is able to explain the level of profitability (ROA) of 46.70%.

***Keywords**: Credit Performance, Profitability, CAR, LDR, NPL, and ROA.*