ABSTRACT

This research aims to examine the effect of income diversification, liquidity, bank deposit,bank equity, and credit risk for bank profitability. This research using Income diversification is measured by HHI Index, liquidity is measured by liquid assets to assets ratio (LA), bank deposits measured by deposits to assets ratio (DAR), bank equity measured by equity to assets ratio (EAR) and non-performing loans (NPL) *as independent variable, and then bank's profitability which is measured by return on assets as a dependent variable. In addition, bank age and bank size is used as a control variable.*

This research using secondary data and the population of this research is 41 banks listed on Indonesian Stock Exchange in period 2014 – 2018. By purposive sampling methods, 29 conventional commercial banks were obtained as the sample of this research. The analytical method used in this research is multiple linear regression analysis.

The results of this research indicated that income diversification and bank equity has a positive and significant effect on bank profitability.In addition, non performing loans (NPL) *and liquidity has a negative and significant effect on bank profitability which is measured by return on assets. Bank deposits has positive but not significant on bank profitability.*

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Keywords : *bank profitability, return on assets, income diversification, liquidity,bank deposits, bank equity, non performing loans, bank age, bank size*