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ABSTRACT

This Research's purpose is to examine the effect of Total Deposits, Quick Ratio, Liquidity Gap, and Non Perfoming Loans on Bank Profitability as measured by ROA (Return On Assets). This study also examines whether there are differences between the effect of Total Deposits, Quick Ratio, Liquidity Gap, and Non Perfoming Loans on Bank Profitability as measured by ROA (Return On Assets) between conventional banks and Islamic banks.

This Research uses data on conventional commercial banks and sharia commercial banks which for conventional commercial banks have done listings and consistently publish their financial statements in 2011 - 2015. While for Islamic banks consistently publish their financial statements in 2011-2015.

The result of this research is variable of total deposits have significantly positive relation to ROA for conventional bank and insignificantly positive relation for Islamic bank. While for quick ratio variable, its relation with ROA is positive not significant for both banks. while the Liquidity gap variable has an insignificant negative relationship to ROA for both banks. lastly, the NPL variable has a negative and significant relationship to ROA for both banks. the chowtest results show F count in this study is 130.82. While the F value for dF1 of 4 and dF2 of 178 is 2.42 then it can be concluded that the hypothesis is accepted.

For determination coefficient test, it can be concluded that the variable of total deposit, quick ratio, liquidity gap, and NPL can explain ROA to 39,2% for conventional bank. Meanwhile, for Islamic banks able to explain the above variables by 23.2%.

Keywords: Total deposits, Quick Ratio, Liqudity Gap, Non performing Loans, Return On Assets.