

ABSTRACT

The aim of this research is to identify and analyze the determinants of return on Assets (ROA) in General Banking of Indonesia in the period of 2010 – 2014. ROA is dependent variable in this research, as profitability indicator. There are three independent variables that used, which are Capital Adequacy Ratio (CAR), Third Party Funds (TPF), Net Interest Margin (one year before) (NIMt-1), and an intervening variable which is Loan to Deposit Ratio (LDR).

Sampling technique used is purposive sampling with criteria as General Banking in Indonesia who provide annual reports and traded on Bloomberg during period 2010 through 2014 and forwarded to Bank Indonesia. Obtained by amount ampel as much 28 companies from 42 banking company in Indonesia 2010-2014 period. Analyzed with Path Analysis technique. The data is analyzed using SPSS 20 program.

The result of this study proving that TPF and NIMt-1 have positive relationship and statistically significant toward LDR. CAR has negative relationship and insignificant toward LDR. CAR and LDR have positive and significant relationship toward ROA. TPF has positive relationship and insignificant toward ROA. NIMt-1 has negative relationship and significant toward ROA. Then, TPF and NIMt-1 has significant relationship toward ROA mediated by LDR as intervening variable.

Keywords: ROA, CAR, TPF, NIMt-1, LDR