

ABSTRACT

Banks are profit organization that aims to make a profit. Banks also as an intermediary between clients. This happens because the banks get the services of the storage of money and then the money that customers keep it safe in the bank and then played it back to the customer by providing loans or grant credit. The purpose of the banking business is to earn profit. Rate the ability of banks to benefit one measured by Return on Assets (ROA). The purpose of this study was to test the effect of the Capital Adequacy Ratio (CAR), Non Performing Loan (NPL), Net Interest Margin (NIM), Loan to Deposit Ratio (LDR), and ROA on Return on Assets (ROA) in the Regional Development Banks in Indonesia in the year 2006-2010.

The population in this study is that regional development banks in Indonesia. The number of study is 26 banks. Analytical techniques used in this study is multiple linear regression to obtain a comprehensive picture of the relationship between the variables with the other variables. Besides hypothesis testing used is a statistical t-test to test the partial regression coefficient and F-test for statistical significance testing together with a significance level of 5%. Classical assumption test covering normality test, multicollinearity, heteroscedasticity test and autocorrelation test is also used in this study.

The results of this study indicate that the LDR, and NIM have positive and significant impact on a company's ROA banks. While CAR, NPL and ROA significantly and negatively related to ROA banks. The results of this study it is expected that the variable CAR, NPL, ROA, LDR, and the NIM can be used as a guideline for the management of the banks in the management of a bank in order to be a healthy bank.

Keywords: CAR (Capital Adquacy Ratio), NPL (Loan to Deposit Ratio), LDR (Loan to Deposit Ratio), NIM (Net Interest Margin), ROA (Return on Assets).