

ABSTRACT

The purpose in this research is to analyze the effect of Bank Size and Non Performing Loan (NPL) on Return On Equity (ROE) and the effect of Bank Size, Loan to Deposit Ratio (LDR), BOPO, Non Interest Income (NII), Non Performing Loan (NPL) and Return On Equity (ROE) on Price to Book Value (PBV).

The population of this research is publicly traded listed on Indonesia Stock Exchange in the period 2008-2012. Totality of the sample which has been used in this research was 23 banks. The priority selection of the sample is by using purposive sampling method with certain criteria namely banking companies listed on the Indonesia Stock Exchange in the period 2008-2012 which always presents its financial statements in each period of observation. The analysis technique used is path analysis Structural Equation Models (SEM) using program AMOS 20.

The results of this research found that Bank Size have a positive and significant effect on ROE, LDR have a positive and insignificant effect on ROE, BOPO have a negative and significant effect on ROE, NII and NPL have a negative and insignificant effect on ROE, Bank Size have a positive and significant effect on PBV, NPL have a negative and significant effect on PBV, ROE have a positive and insignificant effect on PBV. Based on Path Analysis NPL indirectly influence on the PBV through ROE, while bank size has no effect on the PBV through ROE.

Keywords: Bank Size, LDR, BOPO, NII, NPL, ROE, PBV