ABSTRACT

This research aims to analyse study the effect of Regulatory Capital to Risk Weighted Assets (RCTRWA), Nonperforming Loans Net of provisons to Capital (NPLNOPTC), nonperforming Loans to Gross Loans (NPLTGL), Interest Margin to Gross Income (IMTGI), Operating Expenses to Operating Income (BOPO), Liquid Assets to Total Assets (LATTA), Liquid Assets to Short Term Liabilities (LATSTL), and Net Open Position in Foreign Exchange to Capital (NOPIFETC) towards profitability proxied by Return on Assets (ROA) on Private Commercial Banks National Foreign Exchange in Indonesia during 2006-2011.

The research was conducted using purposive sampling method based on the criteria set by the researchers. The samples in this study were 9 national private commercial bank foreign exchange. The data used are secondary data publication of annual financial statements obtained from Bank Indonesia and Bloomberg period 2006-2011. The data analysis technique used is the classical assumption test, multiple linear regression test, and hypotheses test which include the coefficient of determination, F statistical test, and T statistical test.

The results showed that one of the classical assumption test results has a problem, that is a multicolinearity test. One way that can be used to treat problems with multicolinearity test is to issue an independent variable has a high correlation of the regression model. Variables were removed from the regression model is LATSTL. The test results Adjusted R^2 *shows that the ability of the independent variables in explaining / predicting the dependent variable at 58.3%, while the remaining 41.7% is explained by other variables not included in this study. F statistic test results indicate that all the independent variables are jointly significant effect on ROA. T statistical test results that NPLNOPTC, NPLTGL, and ROA significant effect on ROA, while RCTRWA, IMTGI, Latta, and NOPIFETC no significant effect on ROA.*

Keywords: Return on Assets (ROA), Regulatory Capital to Risk Weighted Assets (RCTRWA), Nonperforming Loans Net of Provisons to Capital (NPLNOPTC), Nonperforming Loans to Gross Loans (NPLTGL), Interest Margin to Gross Income (IMTGI), Operating Expenses to Operating Income (BOPO), Liquid Assets to Total Assets (LATTA), Liquid Assets to Short Term Liabilities (LATSTL), dan Net Open Position in Foreign Exchange to Capital (NOPIFETC).