ABSTRACT

Banks may be regarded as the backbone of the economy of a country that has a function as an intermediary institution for the surplus and deficit. Therefore banking performance evaluation is considered important to monitor how the bank's development from year to year. The purpose of this study was to assess the performance of banks with proven effect of financial ratios Capital Adequacy Ratio (CAR), Non-Performing Loan (NPL), Net Interest Margin (NIM), Loan to Deposite Ratio (LDR), Operating Expenses Operating Income (BOPO), Return on Assets (ROA) and Earnings Asset Quality (EAQ) to the bank's performance as measured by earnings growth.

The sample in this study is a commercial bank in Indonesia, which is listed on the Indonesia Stock Exchange (IDX) the period of 2008 to 2012 which amounted 26 bank. Quantitative data for this study obtained from the Indonesia Stock Exchange (IDX). The data were analyzed by using classic asumption, multiple linear regression and hypothesis testing using SPSS statistical software.

The results of this study indicate that simultaneous variable CAR, NPL, NIM, LDR, BOPO, ROA, and EAQ have an influence on the profit growth of 40 % and the balance of 60 % is influenced by other factors outside the study. While only a partial test variable CAR, NPL, NIM and EAQ significant effect on earnings growth. CAR showed a significant negative effect, NPL showed a significant positive effect, NIM showed a significant positive effect and EAQ showed a significant negative effect.

Keywords : Earning Growth, CAR, NPL, NIM, LDR, BOPO, ROA and EAQ