

ABSTRACT

This study aims to examine the effect of operating efficiency (BOPO, Net Interest Margin / NIM), asset quality (non-performing loans / NPL), capital (Capital Adequacy Ratio / CAR), and liquidity (Loan to Deposit Ratio / LDR) to profitability (return on Assets / ROA) with a study that used a commercial bank in Indonesia in the period 2006-2009.

This research was conducted with purposive sampling. The samples used were 24 commercial banks in Indonesia. The data used in this study were obtained from the Indonesian Banking Directory 2006-2009. Methods of data analysis using multiple linear regression analysis to determine the effect of operating efficiency (BOPO, Net Interest Margin / NIM), asset quality (non-performing loans / NPL), capital (Capital Adequacy Ratio / CAR), and liquidity (Loan to Deposit Ratio / LDR) to profitability (Return on Assets / ROA) of commercial banks in Indonesia 2006-2009.

Based on the test for normality, multicollinearity test, test heteroskedastisitas and autocorrelation test, there were no deviations from classical assumptions. This indicates that the available data has been qualified to use the model of multiple linear regression equation. From the analysis indicates that the Revenue Operations Against Operating Costs (BOPO), (Net Interest Margin / NIM) and (Non Performing Loan / NPL) have a significant effect on Return on Total Assets (ROA) at the 5% significance level. Predictive capability of the five variables to Return On Assets (ROA) of 72.4%, while the remaining 27.6% influenced by other factors not included in the research model.

Keywords : BOPO, Net Interest Margin (NIM), Non Performing Loan (NPL), Capital Adequacy Ratio (CAR), Loan to Deposit Ratio (LDR).