

## ***ABSTRACT***

This study aims to analyze the effect of the Capital Adequacy Ratio (CAR), Non-Performing Loan (NPL), Operating Expenses to Operating Income (ROA), Loan to Deposit Ratio (LDR), Net Interest Margin (NIM), Share of Credit to the Banking Profitability (ROA).

Population as an object of this research is publicly traded commercial bank listed on the Indonesia Stock Exchange in the period 2005-2008. The number of samples used were 20 commercial banks registered to go public in Indonesia Stock Exchange. Samples were taken by purposive sampling with certain criteria which the banking companies which belong to commercial banks to go public and maximal at the beginning of the year 2005 has been listed on the Indonesia Stock Exchange, as well as banks that have published their financial statements in the year 2005-2008. The method used in this research is to use multiple regression analysis to test the hypothesis that the t test and F test Before using multiple regression analysis, performed classical assumption first.

From the results of simultaneous hypothesis test (F test) showed that the CAR, NPL, BOPO, LDR, NIM, and the share of credit has a significant impact on banking profitability of commercial banks to go public with a significance level of 0.000. While based on the partial results of hypothesis testing (t test) went public with commercial banks indicate that CAR variable, NPL, ROA, NIM, and the share of loans has a significant effect on profitability of banking. While the LDR variable is not significant to the profitability of banking. The value of adjusted  $R^2$  in regression models obtained for publicly traded banks 0.779. This shows that the major effect of independent variables are CAR, NPL, BOPO, LDR, NIM, and the share of loans to the dependent variable (ROA) of 77.9% while the remaining 22.1% is influenced by other factors. In addition  $R^2$  value is 0.796. If the value of  $R^2$  getting closer to one then the free variables (CAR, NPL, BOPO, LDR, NIM, and Share of Credit), the stronger its influence in explaining the dependent variable (ROA).

Keywords: CAR, NPL, BOPO, LDR, NIM, Share Credit