

## ABSTRACT

*Return on Asset (ROA) is one of profitability ratios that measures bank's asset effectiveness to generate profit. This research was based on phenomenon gap that commercial banks' profitability in Indonesia measured by ROA has a decreasing pattern from 2014 to 2018, which its growth is approximately -0.23%, whereas the ideal condition of that is ROA has an increase pattern every year. Meanwhile, some previous researches about factors affecting banks' profitability have vary results which caused research gap. Hence a deeper research is needed. The purpose of this research is to analyze the effect of CAR, loans (LOTA), deposits (DSTA), off balance sheet activities (OOI), tax (TAX), stock market capitalization (MACP), also size (SIZE) and foreign ownership (FRGN) as control variables toward banks profitability (ROA) listed in Indonesian Stock Exchange from 2014 to 2018.*

*Population in this research is all commercial banks in Indonesia which go public with total of 39 banks. Meanwhile purposive sampling method is being used for taking samples, which sample criterions are : 1) commercial banks which headquartered in Indonesia, 2) commercial banks in Indonesia which go public between period of 2014-2018 year, and 3) commercial banks in Indonesia which provide an open and complete financial reports for Indonesian Central Bank (BI) for the period of 2014-2018 year. Therefore total sample of this research is 31 banks. Multiple regression analysis is being used as analysis technique in this research.*

*Results of regression analysis shows that CAR has a positive and significant influence towards ROA, LOTA has a positive and significant influence towards ROA, DSTA has no significant influence towards ROA, OOI influences ROA positive and significantly, TAX influences ROA positive and significantly, and MACP has a positive and significant influence towards ROA. Furthermore, by using SIZE as control variable shows a better result than before. It shows that adjusted R-square score produced by using control variable in regression analysis is 59.5%, higher than adjusted R-square produced by regression analysis without control variable, which is 55.2%.*

***Keywords : ROA, deposits, foreign ownership, loans, off balance sheet activities, stock market capitalization***