

ABSTRACT

This study aims to analyze the effect of the Performing Loan (NPL), Capital Adequacy Ratio (CAR), Loan to Deposit Ratio (LDR), Non- Operating Expenses to Operating Income (BOPO), Net Interest Margin (NIM), 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 2011-2018. The number of samples used were 17 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 2011 has been listed on the Indonesia Stock Exchange, as well as banks that have published their financial statements in the year 20011-2018.

The method used in the study is panel data regression with the Random Effect Model. Before using panel data regression analysis, performed classical assumption first. The value of adjusted R^2 in regression models obtained for publicly traded banks 0.852. This shows that the major effect of independent variables are NPL, CAR, LDR, BOPO, and NIM to the dependent variable (ROA) of 85% while the remaining 15% is influenced by other factors. In addition R^2 value is 0,852. If the value of R^2 getting closer to one then the free variables (NPL, CAR, LDR, BOPO, and NIM), the stronger its influence in explaining the dependent variable (ROA). From the results of simultaneous hypothesis test (F test) showed that the NPL, CAR, LDR, BOPO, and NIM 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 LDR variable, BOPO, and NIM has a significant effect on profitability of banking. While the NPL and CAR variable, is not significant to the profitability of banking.

Keywords: ROA, NPL, CAR, LDR, BOPO, and NIM