ABSTRACT

This research focused on the influence of bank financial ratios and credit growth to the Bank's net interest margin. Testing the influence of the bank's financial ratios and credit growth to the net interest margin is an interesting subject considering that studies conducted in Indonesia on the effects of financial ratios was only to predict earnings. Testing net interest margin is considered important to be done considering that net interest margin is main income of the bank.

The population in this study were all commercial banks companies in Indonesia listed on 2008 - 2009. The sampling technique was *purposive sampling* with the criteria of national commercial banks and regional development banks that presents financial statements on 31th december into Bank Indonesia. Analysis were performed using linear regression and sensitivity test done with the Chow Test.

Based on the results of research, it was concluded that 1) determination coefficient of national commercial banks is 26.7% while the coefficient of the regional development banks is 60.9%. 2) CAR has positive and significant effect on NIM of national commercial banks, and also on regional development banks. 3) BOPO has no significant effect on NIM of national commercial banks and regional development banks. 4) NPL has no significant impact on NIM both of national commercial banks and regional development banks. 5) LDR has no significant effect on NIM both to national commercial banks and regional development banks. 6) credit growth has no significant effect on NIM on national commercial banks, but has negative and significant effect on the NIM of regional development banks. 7) Test results of Chow test shows the difference between national commercial banks and regional development banks.

Key words: CAR, BOPO, NPL, LDR, Credit Growth, NIM