ABSTRACTION

For users of financial statements and business in economic decision making requires information about the company's financial condition and performance. Financial ratio analysis is an alternative to test whether financial ratios useful for making predictions of future earnings changes. NIM ratio, LDR, NPLs, and EAQ BOPO a measure of the ability to predict changes in earnings. The users of financial statements and business banking in assessing a company does not just look at the profit generated in one period but is continuously monitoring the change in earnings from year to year.

The research sample consisted of 38 banks that are divided into 22 banks and 16 foreign banks registered non-foreign exchange at Bank Indonesia in the period 2007-2010. Independent variables in this study is net interest margin (NIM), loan to deposit ratio (LDR), non-performing loan (NPL), the operational costs of operating income (BOPO) and earning asset quality (EAQ), while the earnings change as the dependent variable . The data used in this study is secondary data, thus data collection methods using non-participant observation. Data analysis technique uses the classical assumption test, multiple linear regression analysis test, the test chow test, and test the hypothesis by using a SPSS program.

The results of this study indicate that the variable BOPO is capable of predicting changes in the profit and non-bank foreign exchange period 2007-2010. BOPO variable has a significant negative effect on earnings changes in both foreign banks and non-bank foreign exchange. Variable NIM, LDR, NPL and EAQ had no significant effect on the changes in foreign exchange earnings and bank non-bank foreign exchange.

***Keywords: Earnings Changes*, NIM, LDR, NPL, BOPO and EAQ.**