

ABSTRACT

This study aims to analyze the effect of Non Performing Loan, Loan to Deposit Ratio, Capital Adequacy Ratio and Operational Cost to Operating Income to Bank Profitability with ownership as Moderating variable. The object of this research is Government-owned Bank, Foreign Exchange Private Bank, Non-Foreign Exchange Private Bank, and Foreign-owned Bank (KCBA) in 2013-2017, so the other purpose of this research is to analyze the relationship between finance ratio NPL, LDR, CAR, BOPO and moderation relationship of bank ownership identity (domestic or foreign) to ROA.

The research hypothesis was tested using Multiple Regression Analysis method. First the research data is analyzed using classical assumption test (normality test, multicollinearity test, autocorrelation test and heteroscedasticity test). Then correlation between variable NPL, LDR, CAR, BOPO and moderation relation of ownership identity variable to ROA is tested by coefficient of determination, F significance test and t significance test.

The results of this study concluded that LDR and BOPO variables have a significant influence on ROA while NPL and CAR variables have no significant influence on ROA. The relation of NPL, CAR, BOPO variable to ROA is not moderated by domestic or foreign ownership whereas the correlation of LDR variable to ROA is moderated by domestic or foreign ownership.

Keywords: NPL (Non Performing Loan), LDR (Loan to Deposit Ratio), CAR (Capital Adequacy Ratio), BOPO (Operating Cost to Operating Income), Identity of bank ownership, moderator variable, ROA (Return On Asset)