

ABSTRACT

The objectives of this research to analyze the influence of Capital Adequacy Ratio (CAR), Operation Efficiency (BOPO), Non Performing Loan (NPL), Net Interest Margin (NIM), and Loan to Deposit Ratio (LDR) to Return on Asset (ROA) wich is as a proxy of Financial Performance Banking Firms wich listed on BEJ in June 2002 until June 2007 periods. This research using time series data from Bank Indonesia's three monthly published financial reports Banking Firms wich listed on BEJ in June 2002 until June 2007 periods. After passed the purposive sampling phase, the number of valid sample is 24 Banking Firms wich listed on BEJ.

The result of this research shows that CAR, NIM, and LDR variables has a positive and significant influence to ROA. BOPO variable also has a significant influence to ROA, the distinction between BOPO than another variables is the sign of variable coefficient, it has negative coefficient. In NPL variable case, despite NPL has a negative coefficient, it doesn't have a significant influence to ROA. the research also shows that BOPO coefficient become the largest coefficient values. It's mean that the bank managements should be concern on the BOPO variable to improve profitability on their Financial Performance. Disintermediary functions of bank that occurs in the research periods is the reason for insignificant NPL variable to ROA variable wich is as a proxy of Financial Performance Banking Firms.

Keywords: Capitalization, Operation Efficiency, Credit Risk, Market Risk, Liquidity, Financial Performance.