

## ABSTRACT

Economic crisis in banking had created difficulties in many sectors; therefore it is necessary to mend the Bank's health in order to regain the public trust through its financial ratio. The financial ratio that affecting the change in profit had shown different results, the profit of foreign exchange banks and non foreign exchange banks underwent a fluctuations during June 2004 to June 2007 period and there had been a inconsistencies of the NPM, LDR, NPL and BOPO to the change in profit, made it necessary to be analyzed. The aim of this research is to examine the effect of the change of NPM, LDR, NPL and BOPO on the profit change of foreign exchange of foreign exchange banks and the non foreign exchange banks.

The data was obtained from the quarterly publish financial statement of Bank Indonesia during June 2004 until June 2007 that it gives 55 sample consist of 24 foreign exchange banks and 31 non foreign exchange banks. The sampling method used purposive sampling. The analysis methods used are Classical Assumption Test, Multiple Regression, Hypothesis Testing and Chow Test.

The result of this research shows that change of NPM has a positive and significant effect on the profit change of foreign exchange banks and sum of foreign exchange banks and the non foreign exchange banks. It means that the bank has a positive ability in generating net profit, thus the higher the ratio of the net profit margin, the better the bank performance is, so that it could gain maximum profit. The change in LDR has a positive insignificant effect on the profit change of all the bank. It means that the intermediation function of the bank is not good, so the higher cost could not distribute to the customer. The change of NPL has a negative and insignificant effect on the profit margin of all the bank. It means that the higher non performing loan of the bank, so it could lower the profit. The change of BOPO has a negative and significant effect on the profit change of foreign exchange banks, sum of foreign exchange banks and the non foreign exchange banks. It means that more efficient the bank in running its activities, so it could higher the profit.

**Keywords : Change in NPM, LDR, NPL, BOPO and Profit.**