ABSTRACT

This research is performed to test the influence of the variable asset quality, interest rate risk, Capital Adequacy Ratio (CAR), and liquidity toward profitability.

Sampling technique used is purposive sampling with criteria as General Banking in Indonesia who provide financial report and traded during period 2005 through 2007 and forwarded to Bank Indonesia. The Data is based on publicity Indonesia Banking Directory since 2005 to 2007. Obtained by amount sampel as much 81 company from 133 banking company in Indonesia 2005-2007 period. Analysis technique used is doubled regression with smallest square equation and hypothesis test use t-statistic to test coefficient of regression partial and also f-statistic to test the truth of collectively influence in level of significance 5%. Others also done a classic assumption test covering normality test, multicolinierity test, heteroscedastisity test and autocorrelation test.

During research period show as data research was normally distributed. Based on multicolinierity test, heteroscedasticity test and autocorrelation test variable digressing of classic assumption has not founded, its indicate that the available data has fulfill the condition to use multi linier regression model. From the result of analyse indicate that data capital adequacy ratio in partial significant toward profitability bank go public at level of significant less than 5%, and asset quality in partial significant toward profitability bank non go public at level of significant less than 5%. Chow test result show 2,819 bigger than 1,96 so there,s different between go public bank and non go public bank.

Keywords: asset quality, interest rate risk, capital adequacy ratio, liquidity, and profitability