

## **Abstract**

*This study aimed to examine effect of credit risk (NPL), liquidity risk (LDR) and capital toward bank profitability (ROA) with an empirical study of domestic bank and foreign bank in Indonesia period of 2011-2013.*

*The data in this study was collected from Indonesian Banking Directory of 2011-2013 and annual reports from each bank of 2011-2013. Sampling technique using purposive sampling. The collected sample was 26 banks of 20 domestics and 6 foreign banks. The data is analyzed by using method of multiple linear regression to determine effect of credit risk (NPL), liquidity risk (LDR) and capital (CAR) toward bank profitability (ROA) and Chow Test to determine differences of credit risk (NPL), liquidity risk (LDR) and capital (CAR) toward bank profitability (ROA) between domestic and foreign banks.*

*T-test result shows credit risk no affected positively significant toward bank's profitability (ROA) of domestic and foreign banks. Liquidity risk no affected significant and negatively toward bank's profitability of foreign bank. Capital no affected significant and negatively toward bank's profitability (ROA) of domestic and foreign banks. Based of Chow Test results, it concluded that existed different credit risk (NPL), liquidity risk (LDR) and capital (CAR) toward bank's profitability (ROA) between domestic and foreign banks. This study result is hoped to be a consideration for bank management, investors and public community.*

*Keywords: credit risk, liquidity risk, capital, bank's profitability*