

ABSTRACT

Bank Indonesia Interest Rate growth on 2010 – 2014 was not in line with Commercial Bank's Non Performing Loan ratio growth that listed on Indonesian Stock Exchange period 2010 – 2014. NPL increase when Bank Indonesia's interest rate decrease, but NPL decrease when Bank Indonesia interest rate increase. Operational Expense to Operational Efficiency and Loan to Deposit Ratio were above of maximum limit that Bank Indonesia already suggested. This was an indication that Commercial Bank's Return on Asset. This research objects are commercial banks that listed on Indonesian Stock Exchange with 20 banks as sampel.

This research was to test the influence of Bank Indonesia interest rate, Non Performing Loan, Operational Expense to Operational Efficiency and Loan to Deposit Ratio toward Bank Profitability, with profitability indicator that used on this research was Return on Asset.

Data were collected from Annual Report from each commercial banks period 2010 – 2014 that already audited and BI rate's data that already publicated on the official Bank Indonesia's website. Data analysis technique that used on this research was data panel. Hypotesis test used F test, T test, and Coefficient Determination.

The result showed that Operational Expense to Operational Efficiency and Loan to Deposit Ratio were significantly influences ROA, but not for BI rate and NPL. BI rate, NPL, and Operational Expense to Operational Efficiency had negative influence to ROA, meanwhile LDR had positive influence.

Based of the result, companies should strength their fundamental, do prudent princip, keep the companies' efficiency, and give attention into Loan to Deposit Ratio.

Keyword : BI Rate ; Non Performing Loan ; Operational Expense to Operational Efficiency ; Loan to Deposit Ratio ; ROA