ABSTRACT

One objective of the establishment of the company is to make a profit. The Bank is a financial institution that not only aims to improve people's lives, but also to benefit. As with most other businesses, banks earn profits by generating greater revenues than costs. Profitability is the bank's ability to generate profits or obtain effective and efficient manner. Profitability is used as a measure to take into account the ability of the bank's management in managing its assets to generate income is ROA.

This study aims to determine the effect of credit risk, liquidity risk and interest rate risk on profitability either simultaneously or partially. This research is descriptive verification that is causality. The object of the research banks listed on the Indonesia Stock Exchange 2011-2015.

Mechanical sample selection using purposive sampling and acquired 22 banks with 5 years in order to get 110 samples were observed. Model analysis of the data in this study using panel data regression analysis using software Eviews 8.0.

From this study, the result of a combination of independent variables such as credit risk, liquidity risk and interest rate risk are able to explain the variation of the dependent variable is the profitability of the remaining 46.6251% and 53.3749% is explained by other factors that are not included in this model ,

The results also showed simultaneously independent variables such as credit risk, liquidity risk and interest rate risk significant effect on profitability. From the test results obtained partial results showing a significant effect of credit risk variables with a negative direction toward profitability. Liquidity risk variables had no significant effect on profitability. And a variable interest rate risk significant effect on the profitability of the positive direction.

Keywords : Credit Risk, Liquidity Risk, Interest Rate Risk, Profitability.