

## ABSTRACT

*Financing company is an entity which conducts the financing for the procurement of goods and/or services. Total contract of financing companies increased during 2011-2015 showed interest in the community, both individuals and companies, which continue to increase for financing companies resulting increase in demand. The increase in demand is in line with the number of companies increased, which means increased competition. However, during 2011-2015 there are also changes in the Bank Indonesia (BI) rates and the inflation rate affecting the profit of financing companies. The impact caused by the changes in the BI rate and inflation rate should be considered due to the increase in the number of financing companies in Indonesia, and so did the competition to be faced. Increased competition requires companies improve corporate performance shown by return of assets (ROA).*

*This research aims to determine the impact of macroeconomic factors on profitability of financing companies. The independent variables used are BI rate and inflation and dependent variabel used is profitability ratio which is represented by Return on Assets (ROA). The object of this research are financing companies listed on the Indonesia Stock Exchange (BEI).*

*This research use quantitative method. Sampling technique using nonprobability sampling which is purposive sampling by taking samples according to the required criteria. Data are obtained from the annual financial statements of companies financing period 2011-2015. The data used is secondary data, which is data time series and cross section. The analysis technique used is the panel data regression by using Eviews 8.0 using a fixed effect model to test the hypothesis through t-test and F-test with significant value of 5%.*

*The results shows that in partial BI rate with the value of  $0.0743 > 0.05$  as well as inflation with the value of  $0.9883 > 0.05$  has no significant effect on the ROA of financing companies. While simultaneously BI rates and inflation have significant influence on the ROA of financing companies with the value of  $0.000000 < 0.05$ .*

**Keywords:** *BI rates, inflation, profitability, return on assets*