

ABSTRACT

Bank has an important role in Indonesia's financial system, while providing many benefits to the community as a service user. Banks become one of the most trusted alternative solutions for society. In addition to serving as a development agent in servicing loans, the bank also acts as a trust agent providing services in serving the security of ownership control of individuals, groups or companies. In order for the business to run smoothly, the company needs to maintain its financial stability. Caution is required in the management of company assets. Thus, the processing of bank assets must be run very carefully, because the assets are very vulnerable to risk. To maintain and improve bank performance in the next period, need to pay attention to the management of assets owned through the assessment of the financial performance of these banking companies.

This research is aims to analyze the variables that affect bank profitability based on internal factors. The independent variables used in this research are capital ratio (CAR), liquidity ratio (LDR), rentability ratio (BOPO), earning asset ratio (NPL), and firm size. Dependent variable is profitability (ROA).

The sample used in this research is Private National Bank Foreign Exchange and Private National Bank Non Foreign exchange period 2012-2015 for 55 banks. Data is secondary data obtained through annual financial statements of each banking. Data analysis technique used in this research is panel data regression analysis.

The results showed that the ratio of profitability of some (BOPO) significantly influence the profitability of commercial banks of national private foreign and non-national private national banks. While the ratio of capital (CAR) and liquidity (LDR) has no significant effect on foreign exchange bus and non foreign exchange bus. The ratio of productive assets (NPL) only significantly affect the profitability of foreign exchange buses. The ratio of firm size only significant effect on foreign currency bus.

Based on the results of the study, it is recommended for Foreign Exchange National Bank and Non-Foreign Exchange National Private Bank to pay attention to the ratio of BOPO in order to improve profitability by controlling the level of operational efficiency because of this result The study shows that BOPO has a significant negative effect on profitability.

Keywords : profitability, car, ldr, bopo, npl, firm size