

ABSTRACT

The current global economy can not be separated from financial institutions such as banking. Banking provides the benefits of effective and efficient resource allocation mechanisms. In addition, banks also provide

This study aimed to examine the effect of Loan to Deposit Ratio (LDR), Non Performing Loan (NPL), Capital Adequacy Ratio (CAR), Net Interest Margin (NIM), Operating Expenses Operating Income (BOPO) of Return On Asset (ROA) at a banking company listed on Indonesia Stock Exchange during 2012-2015. The data used in this study were obtained from the annual financial report consolidated for the year 2012-2015.

The population in this study is banking sector companies listed on Indonesia Stock Exchange. Sample selection technique used is purposive sampling and obtained thirty one banks with a period of study in 2012-2015. Methods of data analysis in this research is panel data regression analysis using Eviews software version 9.

The results showed that LDR has impact to return on asset -2,60%. NPL has impact to return on asset -23,81%, CAR has impact to return on asset -5,53%. NIM has impact to return on asset 45,94%, BOPO has impact to return on asset -1,00%. Based on results, LDR, NPL, CAR, NIM, BOPO simultaneously has significant effect on ROA. While partially, LDR, NPL, CAR, BOPO has significant negative effect on ROA. NIM has significant possitive effect on ROA.

Based on the research results obtained, researchers try to give some suggestions for practitioners and other users. Customers and investors have a goal to maximize profits. These benefits can be seen from the health and performance of the bank through the financial statements issued by the bank itself. Customers and investors can see and consider the ratio of loan to deposit ratio, non-performing loan, capital adequacy ratio, net interest margin, operational cost of operational income owned by each bank, because these five variables have a significant influence on the health and performance of banks Which can be seen from the return on assets of the bank.

Keywords : *Loan to Deposit Ratio (LDR), Non Performing Loan (NPL), Capital Adequacy Ratio (CAR), Net Interest Margin (NIM), Operating Expenses Operating Income, Return On Asset (ROA)*