

ABSTRACT

The existence of competition among banking companies requires banks to be more effective and efficient in managing the company, besides banking is also expected to obtain maximum profit. Therefore, banks need to maintain the financial ratios set by Bank Indonesia in order to obtain maximum profit.

This study aims to analyze the influence of ratio of Capital Adequacy Ratio (CAR), Loan to Deposit Ratio (LDR) and Operating Expense to Operating Income (BOPO) to Return On Assets (ROA) simultaneously and partially.

The population in this study is a foreign exchange bank registered in BEI period 2011-2014. The sample selection technique used is purposive sampling and obtained 20 foreign exchange banks with a research period of four years to obtain 80 units of samples in this study. Data analysis method in this research is panel data regression analysis using software Eviews version 8.

The results of this study indicate that Capital Adequacy Ratio (CAR), Non Performing Loan (NPL), Loan to Deposit Ratio (LDR) and BOPO simultaneously have a significant effect on Return On Assets (ROA). While partially, CAR does not have a significant positive effect on ROA, NPL has a significant negative effect on ROA, LDR has no significant negative effect on ROA and BOPO have significant negative effect to ROA.

Keywords: Capital Adequacy Ratio (CAR), Non Performing Loan (NPL), Loan to Deposit Ratio (LDR), BOPO, Return On Asset (ROA).