

ABSTRACT

Internet banking is one of banking service that will facilitate customers to do any banking transactions without come to the bank office, and internet banking is one of long term investment which increase the number of total asset and aims to reduce operating costs so it is expected to increase net income. As an intermediary institution, banks must have a good performance in order to gain trust from customers. Trust from customers is very important to support all bank's activities so that banking operations can run effectively and efficiently that will increase the profitability of banks. This research aims to find out comparative analisis of banking profitability ratio between before and after applying internet banking on banking companies listed in the Indonesia Stock Exchange with research periods 3 years before and 3 years after applying internet banking.

The population in this research are bank companies listed in the Indonesia Stock Exchange. The sample in this research are 15 bank companies listed in the Indonesia Stock Exchange. The selection of banking industry is based on the banking sector is one of the state financial institutions so that the level of performance coefficients monitored by Bank Indonesia corectly The method use in this research is Paired Test to find out the different of Return On Asset before and after applying Internet Banking.

The result showed there's an increase of Return On Asset after applying internet banking but while tested by Paired Sample T-Test there's no influence a significant between before and after applying internet banking.

Keywords : Internet Banking, Return On Asset. Profitability, Total Asset, Net Income