ABSTRACT

Profitability ratio is one of the things seen by investors in assessing banking performance. The ratio used in this study is Return on Assets (ROA) to measure the ability of banks in obtaining the total of total assets owned by banks.

In this study the author aims to examine the effect of Capital Adequacy Ratio (CAR), Loan Deposit Ratio (LDR) and Non Performing Loan (NPL) to bank profitability as measured by Return on Assets (ROA) at Private Banks and National Banks registered on the Indonesia Stock Exchange (IDX) period 2012-2016. The data used are data obtained from financial statement data recorded on IDX.

The population in this study are commercial banks listed on BEI. Sample selection technique used is purposive sampling and obtained 25 Commercial Banks with research period in 2012-2016. Data analysis method in this research is panel data regression analysis by using software Eviews version 9.

Based on the result of research, Capital Adequacy (CAR), Loan Deposit Ratio (LDR) and Non Performing Loan (NPL) variables simultaneously have significant effect on profitability (ROA). While only partially Capital Adequacy (CAR) and Non performing Loan (NPL) which has a significant negative impact on profitability. While the Loan Deposit Ratio (LDR) has no effect on profitability.

Based on the result of this research, if the bank wants to improve profitability, banking need to press the NPL level and press CAR level but still above the predetermined limit.

Keywords: *Capital Adequacy Ratio (CAR), Loan Deposit Ratio (LDR), Non Performing Loan (NPL), Return on Assets (ROA)*