

ABSTRACT

Profitability ratio is one of the things seen by investors in assessing banking performance. The ratio used in this study is Return on Asset (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), Non Performing Loan (NPL), Loan to Deposit Ratio (LDR) and Operational Efficiency (BOPO) to bank profitability as measured by Return on Asset (ROA) at State Owned Bank registered on the Indonesia Stock Exchange (IDX) period 2012-2017. The data used are data obtained from financial statement data recorded on IDX.

The population in this study are State Owned Bank listed on BEI. Sample selection technique used is purposive sampling and obtained 4 State Owned Bank with research period in 2012-2017. 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 Ratio (CAR), Non Performing Loan (NPL), Loan to Deposit Ratio (LDR) and Operational Efficiency (BOPO) variables simultaneously have significant effect on profitability (ROA). While partially, NPL and BOPO significant negative effect on profitability. CAR and 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 BOPO level.

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