

ABSTRACT

The decline in gross domestic product (GDP) reflects the weakening of the Indonesian economy. As a result of the weakening Indonesian economy, many companies in various industries are negatively affected, such as sales decline, business expansion delay, and employee reductions (www.bi.go.id). Another impact of the decline in sales and net profit is the decline in the ability of companies to pay off the financing to the bank so that it affects the profitability of banks.

In this study the independent variables are credit risk, operational costs and operating income and third party funds. Dependent variable in this study is profitability. This study aims to determine the effect of non-performing loans, operating expenses and operating income and third party funds on profitability in state-owned banks listed on the Indonesia Stock Exchange. Population in this research is all BUMN Banks Listed in Indonesia Stock Exchange period 2008-2015, while the sample of this research is determined by purposive sampling method so get 4 banking as sample. The analysis method used is panel data regression analysis.

Based on the result of research of credit risk variable, operational cost and operational income and third party fund simultaneously have significant effect to profitability. While partially only the operating expense of earnings has a significant positive effect on profitability.

Keywords: Credit risk (NPL), operating expense of operating income (BOPO), third party funds (DPK), and profitability.