

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), Loan Deposit Ratio (LDR) and Non Performing Loan (NPL) to bank profitability as measured by Return on Asset (ROA) at Commercial Banks registered on the Indonesia Stock Exchange (IDX) period 2013-2017. 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 28 Commercial Banks with research period in 2013-2017. 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 (CAR), Loan Deposit Ratio (LDR) and Non Performing Loan (NPL) variables simultaneously have significant effect on profitability (ROA). While partially, LDR significant positive effect on profitability, NPL significant negative effect on profitability. CAR has no effect on profitability.

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