The Effects Of Bank Indonesia Rate (BI Rate), Earnings Assets, Loan To Deposits Ratio (LDR), And Non Performing Loan (NPL) To Profitability (A Case Study On Indonesian Commercial Banks)

ABSTRACT

This Research Is Aimed To Investigate The Effects Of Bank Indonesia Rate (BI Rate), Earnings Assets, Loan To Deposits Ratio (LDR), And Non Performing Loan (NPL) To Indonesian Commercial Banks’ Profitability As Well As To Examine Which Variable That Has Significant Influence.

Using Annualy Data From 22 Listed Commercial Banks Over The Period 2004-2007 Of Earnings Assets, Loan To Deposits Ratio (LDR), Non Performing Loan (NPL), And Annualy Average Bank Indonesia Rate (BI Rate) In The Same Period, The Writer Tried To Reach The Objective Of This Research.

The Result Of This Research Showed That Bank Indonesia Rate (BI Rate) And Non Performing Loan (NPL) Have Negative Impact On The Return The Return On Assets (ROA) Of The Listed Commercial Banks, Conversely, Earnings Assets And Loan To Deposits Ratio (LDR) Have Positive Impact. Furthermore, The Impact Of Earnings Assets And Non Performing Loan (NPL) To The Return On Assets (ROA) Are Significant, Whereas Bank Indonesia Rate (BI Rate) And Loan To Deposits Ratio (LDR) Are Not Significant.

Key Words: Return On Assets (ROA), Earnings Assets, Loan To Deposits Ratio (LDR) And Non Performing Loan (NPL).