

ABSTRACT

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DETERMINANTS OF PROFITABILITY OF LISTED COMMERCIAL BANKS IN INDONESIA

(xi + 70 pages; 2 figures; 12 tables; bibliography; appendix)

The purpose of this study is to identify the determinants of profitability of the banking industry in Indonesia, particularly the banks which are under the category of *BUKU III* and *BUKU IV*. The sample used is the data from 21 banks from the time period of 2015 – 2019, taken with a non-probability purposive sampling method. The analysis technique is a multiple data regression panel with the final model chosen is Fixed Effect Model. The profitability was measured using three indicators, namely Net Interest Margin (NIM), Return on Asset (ROA), and Return on Equity (ROE). On NIM, the research result shows that capital adequacy, asset quality, deposits, asset management, and exchange rate have significant influence to NIM. On ROA, the research result shows that capital adequacy, asset quality, asset management, operating efficiency, leverage, and exchange rate have significant influence to ROA. On ROE, the research result shows that capital adequacy, operating efficiency, and leverage have significant influence to ROE.

Reference : 40 (1981 - 2020)

Keywords : data panel regression, Indonesian banking, net interest margin, return on asset, return on equity, profitability