

ABSTRACT

Financial statements users need financial information of companies to analyze their financial condition and performance. The study focuses on Analysis the influences of financial ratios to Earning changes of Indonesian Banking. Financial ratios (CAR, NIM, LDR, NPL,BOPO and EAQ) are useful measures for predicting the earning changes. Earning changes on the banks is investor focus to know the performance firms. The investors doesn't overview earnings not only one periode but also earning changes from year to year

Sample in this research were in Indonesian Banking company listed on the Bank Indonesia 2004-2007 totally 81 firms. This is population research,. There is 6 independent variables on this study, they are: Capital adequacy ratio (CAR),Net Interest Margin (NIM), Loan to Deposit Ratio(LDR),Non Performing Loan(NPL),Operations Expenses to Operations Income (BOPO)and Earning Assets Quality(EAQ).Earning Changes is the dependent variables on this research. The analyze method usefully library and documentation. Analyze the data conduct by using classic asumption, multiple linier regresion, and hyphotesis with SPSS programe.

The empirically result showed that,CAR,NIM,LDR,NPL,BOPO and EAQ influences the earning changes. Partially only LDR and NPL showed affect to earning changes. LDR showed positif affect and NPL showed negative affect .

Keywords : Earning changes, CAR,NIM,LDR,NPL,BOPO,EAQ and mutiple linier regression.