ABSTRACT

This study was conducted to determine the effect of capital adequacy ratio (CAR), loan to deposits ratio (LDR), non performing loan (NPL), firm size (SIZE) and fee based income (FBI) to net interest margin (NIM) and comparing the differences in influence between domestic commercial banks and foreign banks. This study was conducted on domestic commercial banks listed on the Indonesia Stock Exchange and foreign banks in Indonesia with the period 2012 - 2017. The research samples in the model of domestic commercial banks were 170 observations and in the foreign bank model 50 observations were selected through the purposive sampling method. The analysis technique used in this study is multiple regression analysis.

The results showed that in domestic commercial banks CAR, SIZE and FBI had a significant positive effect on NIM, while LDR and NPL had a significant negative effect on NIM. In foreign banks, NPL and SIZE have a significant positive effect on NIM, CAR and LDR significantly negative effect on NIM and FBI have a significant negative effect on NIM.

Key Word: Net Interest Margin (NIM), Capital Adequacy Ratio (CAR), Loan to Deposits Ratio (LDR), Non Performing Loan (NPL), Firm Size (SIZE), Fee Based Income (FBI)

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