

ABSTRACT

The purpose of this research was researching variables which influenced to national private commercial banks in Indonesia in the period 2005-2009. The variables are taken based on the research before with some adjustment from Indonesian Bank's rule. The independent variables consisted of efficiency, liquidity, capital adequacy level, firm size, and assets quality. The dependent variable was profitability level. This research used quantity analysis with panel data regression method by random effect model technic approach (REM) which five independent variables are considered as exogen variables and dependent variable as endogen variable. The result of Random Effect Model (REM) showed that efficiency, capital adequacy level, firm size, and liquidity had significant influence to profitability level. Only assets quality which had not significant influence to profitability level.

Keywords: Profitability, efficiency, liquidity, capital adequacy level, firm size, assets quality, panel data regression, *Random Effect Model*

