

The impact of Indonesian central bank interest credit rate on profitability.

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- **Abstract:** The macro-economy condition should be considered for measuring the financial performance of one business entity. The global crisis that happened between 2008 and 2013, really impacted the performance of the banking industry in Indonesia. This study aimed to determine whether the macroeconomy factor, such as inflation, central bank interest rate, and currency exchange had any impact on the return of asset ratio. The data for this study was collected from the bank of west java and Banten from 2008-2016. The data used in this study was the monthly ratio of Return of Asset (ROA), inflation rate, central bank credit rate, and currency exchange rate of Rupiah. The multiple regression analysis was done for this study resulted that the three factors impacted the ROA. The t-test for partial correlation of the factor showed that all three macro-economy factors only the currency exchange rate that correlates the ROA. The impact of the currency exchange rate is about 25.4%.
- **Keywords:** ROA, inflation, central bank credit interest rate, currency exchange rate