Abstract

This study was conducted to determine the effect of business risks (market risk, credit risk, operational risk and liquidity risk) to profitability. The population of this study of the companies listed commercial banks in Bank Indonesia (BI). While the study observation period is the period 2009 to 2011 period. Number of samples were 32 banking companies. The conclusions of this research is the implementation of the first hypothesis stating that the bank's market risk negatively affect the profitability of the bank proved to be rejected. This result is in accordance and consistent with the results of previous studies conducted by Restiyana and Mahfud (2011). The second hypothesis states that the bank's credit risk negatively affect the profitability of the bank proved to be denied. This result is in accordance and consistent with the results of previous studies conducted by Restiyana and Mahfud (2011). The third hypothesis which states that the risk of the bank's operations negatively affect the profitability of the bank proved to be denied. This result is not appropriate and not inconsistent with the results of previous studies conducted by Restiyana and Mahfud (2011). The fourth hypothesis which states that the bank's liquidity risk has a positive effect on the profitability of the bank proved to be denied. the results of this study do not support the results of previous studies conducted by Susianis (2012). This study was able to prove the influence of variable market risk, credit risk, operational risk and liquidity risk on bank profitability variables together or simultaneously.

Keywords: *market risk, credit risk, operational risk, liquidity risk, bank profitability*