

ABSTRACT

The research aims to examine the effect of the Capital Adequency Ratio, Loan to Assets Ratio, Non Performing Loans, and Operational Income Operating Costs on Bank Profitability. This research using Capital Adequency Ratio (CAR), Loan to Assets Ratio (LAR), Non Performing Loans (NPL), and Operational Income Operating Costs (BOPO) as independent variables, then bank profitability is measured by Return On Assets (ROA) as the dependent variable. Bank Size and Bank Age are used as control variables.

This research uses secondary data with a population of 46 banks listed on the Indonesia Stock Exchange in the period of 2017-2021. By using the purposive sampling method, a sample of 25 conventional commercial banks was obtained. The analytical method used in this research is multiple linear regression analysis.

The results of this research indicate that CAR and NPL have an insignificant negative effect on ROA. BOPO has a significant negative effect on ROA, and LAR has a significant positive effect on ROA.

Keywords : Bank Profitability, Return On Assets, Capital Adequency Ratio, Loan to Assets Ratio, Non Performing Loan, Operational Income Operating Costs, Bank Size, Bank Age