

ABSTRACT

This study aims to examine the effect of Capital Adequacy Ratio (CAR), bank size (size), Non Performing Loan (NPL), and Operating Expenses on Operating Income (BOPO) on company profitability as measured by Return On Asset (ROA).

The sample used in this study is conventional commercial banks listed on the Indonesia Stock Exchange during the period 2016-2022. The sample in this study amounted to 21 banks taken with purposive sampling method. The analysis method in this study is multiple linear regression analysis calculated by the IBM SPSS Statistic 26 program, which has previously passed the classical test.

The results of this study show that Non Performing Loan have a positive and insignificant effect on bank profitability. The Capital Adequacy Ratio (CAR) have an insignificant negative effect on bank profitability. Meanwhile, Bank Size have a positive and significant effect on bank profitability. Operating Expenses and Operating Income (BOPO) have a negative and significant effect on bank profitability.

Keywords: Bank Profitability, Capital Adequacy Ratio, Bank Size, Non Performing Loan, Operating Expenses and Operating Income.