

## **ABSTRACT**

*This study aims to examine the effect of Capital Adequacy Ratio (CAR), Loan to Deposit Ratio (LDR), Non Performing Loan (NPL), Operating Expenses Operating Income (BOPO), and Institutional Ownership on profitability of conventional commercial banks in Indonesia which proxied by Return On Assets (ROA).*

*The population in this study is the commercial bank that listed in the Indonesia Stock Exchange (IDX) since 2019–2024. This research use purposive sampling with the following criteria: a bank were listed in the Indonesia Stock Exchange (IDX) in 2019–2024, published complete financial statements, and had positive ROA. The samples in this study were 25 commercial banks. This study uses data obtained from Annual Financial Report issued by banks in the Publication Financial Statements Financial Services Authority (FSA). The analysis technique used is multiple linear regression analysis. Before using multiple linear regression analysis, performed classical assumption first.*

*From the results of simultaneous hypothesis test (F test) showed that the CAR, LDR, NPL, BOPO, and Institutional Ownership had a significant effect on ROA with a significance level of 0.0000. While based on the partial hypothesis test (t test) showed that the Institutional Ownership had significant positive effect on ROA, the NPL and BOPO had significant negative effect on ROA, while the CAR and LDR had no significant effect on ROA. The results showed that variable NPL had the biggest effect on ROA. The result of the degree of determination (Adjusted R Square) in the regression model is equal to 0.2691. This shows that the effect of the independent variables, namely CAR, LDR, NPL, BOPO, and Institutional Ownership to the dependent variable (ROA) is 26.91% while the remaining 73.09% is effected by other factors which were not explained in this research.*

*Keywords: ROA, CAR, LDR, NPL, BOPO, Institutional Ownership*