ABSTRACT

*The research aims to examine the effect of the independent variables Non-Performing Loans (NPL), Loan to Deposit Ratio (LDR), Operational Expenses and Operational Income (*BOPO*), Capital Adequacy Ratio (CAR) and Net Interest Margin (NIM) on bank profitability. Bank profitability is measured by Return on Assets (ROA) as dependen variable.*

The research uses secondary data with population of 47 banks listed on Indonesia Stock Exchange in the period of 2020-2024. 26 banks were selected using purposive sampling method. By using multiple linear regression analysis model and Generalized Least Squares (GLS) method to analyze the research.

The results of this research indicate that NPL and BOPO *have significant negative effect on ROA. LDR and NIM have significant positive effect on ROA. CAR has an insignificant negative effect on ROA.*

Keywords: Bank profitability, Non-Performing Loan, Loan to Deposit Ratio, Operational Expenses and Operational Income, Capital Adequacy Ratio, Net Interest Margin