

ABSTRACT

THE INFLUENCE OF OPERATING COSTS OPERATING INCOME (BOPO) ON RETURN ON EQUITY (ROE) AT PT BANK NEGARA INDONESIA (PERSERO) Tbk PERIOD 2015-2024

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Banks must maintain public trust by ensuring liquidity and operating effectively and efficiently to achieve high profitability. With high profitability, banks are expected to continue to run their businesses and improve their performance so that the needs of the community will be met. The indicator commonly used to measure bank profitability performance is Return on Equity (ROE). ROE in banking can be influenced by Operating Costs Operating Income (BOPO). This study aims to determine the significant influence of BOPO on ROE at PT Bank Negara Indonesia (Persero) Tbk. This research is an associative type using secondary data. The population in this study is all financial reports of PT. Bank Negara Indonesia, Tbk since it was listed on the IDX from 1996 to 2022, which is for 26 years. The sample in this study is the financial reports of PT Bank Negara Indonesia (Persero) Tbk for 10 years, namely from 2013 to 2022. The sampling technique used in this study is purposive sampling. Data collection techniques use documentation and literature studies. The data analysis technique in this study is by using the component analysis of the BOPO ratio (X) to ROE (Y) and statistical analysis consisting of simple linear regression analysis, classical assumption test, determination test and t-test. The results of the study indicate that there is a significant influence of Operating Income Operating Costs (BOPO) on Return on Equity (ROE) at PT Bank Negara Indonesia (Persero) Tbk with a strong relationship level.

Keywords: Operating Costs Operating Income (BOPO), Return on Equity (ROE)