

ABSTRACT

This study aims to analyze the financial performance of Conventional Rural Banks (BPR) in the DKI Jakarta and Banten provinces during period 2020–2024. The primary focus of this research is to identify the impact of financial factors such as Loan to Deposit Ratio (LDR), Non-Performing Loans (NPL), Operating Expenses to Operating Income (BOPO), and Net Interest Margin (NIM) on Return on Assets (ROA) of BPR. Based on the data analysis, the study concludes several key findings: (1) LDR has a positive and significant impact on ROA, meaning that the higher the LDR, the more optimal the credit distribution conducted by BPR, thereby increasing profitability; (2) NPL negatively affects ROA, indicating that higher NPL increases the risk of non-performing loans, which leads to a decrease in bank profitability; (3) BOPO negatively affects ROA, as higher BOPO reflects operational inefficiency, reducing net profit; (4) NIM positively influences ROA, showing the bank's ability to generate net interest income from productive assets; and (5) there is a significant difference in the impact on ROA, reflecting changes in the financial ratio dynamics of BPR as the macroeconomic conditions improved post-pandemic. This research provides valuable insights for BPR management in making more effective policies to improve financial performance amidst changing economic conditions.

Keywords: *Conventional Rural Banks (BPR), Financial Performance, ROA, LDR, NPL, BOPO, NIM.*

