

ABSTRACT

The existence of differences in the performance levels of various banks in Indonesia and the existence of problems in the banking industry to date have caused a decline in bank performance accompanied by the pandemic caused by COVID-19, making research on the factors that affect bank performance important to study. This study was conducted to analyze the effect of bank size (size), Capital Adequacy Ratio (CAR), Non-Performing Loans (NPL), Income Diversification, Loans to Deposit Ratio (LDR), and Operating Costs and Operating Income (BOPO) on performance. go-public conventional commercial banks in Indonesia. Bank Indonesia's performance in this study was measured using the Return of Assets (ROA).

The number of samples used in this study were 25 conventional public banks in Indonesia in the 2016-2020 period. The data selection method used the purposive sampling method. The research data used was obtained based on several reports on banks including bank financial statements, bank annual reports, and Indonesian Banking Publication and Statistics Reports published by the Financial Services Authority. Hypothesis testing in this study used multiple linear regression analysis with SPSS 22 program.

The results showed that the Capital Adequacy Ratio (CAR), Income Diversification, and Loans to Deposit Ratio (LDR) had a significant positive effect on bank performance. Bank size (size) has a positive but not significant effect on bank performance in Indonesia, while Non-Performing Loans (NPL) and Operating Costs and Operating Income (BOPO) have a significant negative effect on bank performance in Indonesia for the 2016-2020 period.

Keywords: Return on Asset, size, Capital Adequacy Ratio (CAR), Non-Performing Loans (NPL), Income Diversification, Loans to Deposit Ratio (LDR), and Operating Costs and Operating Income (BOPO).