

ABSTRACT

The banking industry has undergone major changes in recent years. The industry is becoming more competitive because of regulatory deregulation. Currently, banks have flexibility in the services they offer, the locations they operate, and the rates they pay for deposits. The banking industry today is one of the industries that shows the tight competition. The rapid development of the banking world and the high level of complexity of the banking business can affect the financial performance of a bank. This study aims to analyze the financial performance of the banking sub-sektor for the period 2012-2016.

The results of this study obtained that the performance of the banking sub-sektor in Indonesia from 2012-2016 can be said to be not good. In this study found that although from the capital side of the banking sub-sektor shows an increase, but in terms of liquidity, earnings, and asset quality performance of the banking sub-sektor showed poor performance. From the research on banking financial performance ratios of LDR, ROA, ROE, NIM, BOPO, CAR and NPL found that banking sub-sektor performance trend from 2012-2016 decreased. In this research also found that performance of banking sub sektor from year 2012-2016 by using analysis of financial ratio of LDR, ROA, ROE, NIM, BOPO, CAR and NPL differ significantly.

Keywords: BOPO, CAR, LDR, NPL, NIM, ROA, and ROE