

ABSTRACT

These study objectives are to understand how Indonesian Banks efficiency, comparison of bank efficiency based on ownership and to examine the correlation between bank efficiency and bank performance ratio and bank total asset. This study needed since there is a gap between the Indonesian bank's asset growth and net operating profit growth.

The method used is Data Envelopment Analysis (DEA) with BCC/VRS model, Intermediation approach, Input and Output oriented. Input Variables are Fixed Asset, Personal Cost, Deposit and output variables are Net Interest Income, Investment, Loan. This study examines 10 years period Bank's Financial Report from 2008 until 2017, with 34 conventional banks that listed on Indonesia Stock Exchanged.

Finding of this study shows that the efficiency trend of Indonesian Banks is increasing since the 2008 crisis, and now is in stable condition. Bank Rakyat Indonesia is the most efficient bank and most consistent with 8 years with maximum efficiency score. Based on ownership, banks owned by the government is the most efficient, followed by local government bank, bank owned by mix national and foreign private banks, and the last is national private banks. From correlation analysis show that there is a weak relationship between DEA bank efficiency result and performance ratio (ROA, ROE, NIM, BOPO, LDR) in the bank's financial report.

Keyword : Indonesian Bank, Bank Efficiency, Data Envelopment Analysis (DEA)