

ABSTRACT

In the banking industry there are two banking activities namely traditional and non-traditional activities. Traditional activities are the main activities of bank and non-traditional bank activities are not the main bank activities.

One of the non-traditional bank activities is Off Balance Sheet activity. OBS is an activity that not shown on balance sheet because its activities do not included as an assets or liabilities. In Indonesia on period 2010-2017 alone, OBS activities experiencing high level of fluctuations.

This research aims to determine wheter there is a significant effect of OBS activities represent by Derivative instrument on the perfomance of stated owned banks represent by ROE instrument.

The data used in this research based on financial report each stated owned bank period 2010-2017. The population in this research is sub sector bank listed on Indonesian Stock Exchange period 2010-2017. Sampling technique used in this research is purposive sampling. Method in this research used panel data method, descriptive statistical analysis and t-Test.

The result is OBS activity has negative and does not have significant effect on Bank performance period 2010-2017.

Keyword : non-traditional activity, Off Balance Sheet Activity, Derivative, Return on Equity, Bank.