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ANALYSIS OF INFLUENCE OF CAPITAL ADEQUACY, CREDIT RISK, LIQUIDITY, PROFITABILITY, AND ASSET QUALITY TOWARDS OPERATIONAL BANK EFFICIENCY IN INDONESIA

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ABSTRACT

This study intends to determine the impact of the variable capital adequacy, credit risk, liquidity, and asset quality on bank operational efficiency. Banking data taken is banking data in Indonesia that has been recorded on the website of the financial services authority.

This study uses a sample of 77 banking companies listed in the Financial Services Authority during the 2014-2018 period. With the use of the purposive sampling method and the data in this study were processed through the SPSS 22 and EVIEWS 10 programs.

The acquisition of this study explains that operational efficiency is significantly influenced by the variables of capital adequacy, asset quality, profitability and bank size. Meanwhile the operational variable bank efficiency is significantly negatively influenced by the credit risk variable and does not significantly influence the liquidity variable.

Keywords: *Bank operational efficiency, capital adequacy, bank performance*