THE INFLUENCE OF INTERNAL FACTORS, BANK SIZE AND GOOD CORPORATE GOVERNANCE ON THE PERFORMANCE OF COMMERCIAL BANK LISTED ON THE INDONESIAN STOCK EXCHANGE IN 2021-2022

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Abstract: This research aims to test whether there is an influence between the NPL ratio, OER, CAR, LDR, SIZE and GCG on the performance of commercial banks on the BEI in 2021-2022. The population in this research are management parties involved in commercial banking companies listed on the IDX. The number of samples in this research was 36 companies in 2021-2022. The sampling technique uses a purposive sampling method. The research method used is quantitative with data sources in the form of secondary data. The data analysis method uses multiple linear regression analysis with SPSS version 25. The results of this research show that the variables NPL, OER, LDR, LnSIZE do not have a significant effect on Commercial Bank Performance (ROA), while CAR and GCG has a significant effect on Commercial Bank Performance (ROA). Simultaneously the variables NPL, OER, CAR, LDR, Company Size, and GCG, have an influence on Commercial Bank Performance (ROA)

1. Introduction

In the global world, banking financial institutions do important work in bringing financial stability and economic growth by mobilizing monetary resources in various regions Accornero, et.al (2017). Commercial banking financial institutions play a role by collecting excess funds from saving customers and issuing loans to borrowing customers, in return a bank can get a high interest rate (Khan et al., 2020; Ghosh, 2015). Banks try to improve their performance by distributing credit while carrying out an intermediation role, a bank has a high opportunity to face credit risk. Accornero, et.al (2017). found that the majority of banks in a country went bankrupt due to very high credit risk. Credit risk can arise when borrowers cannot fulfill their obligations to repay their loans. The banking performance of a commercial bank is influenced by 2 factors: namely external factors and the other internal factors. Ofori Abebrese, et al. (2016) shows that adverse selection and moral danger are created due to mismanagement of internal factors. The financial problems above represent turmoil in the banking or financial sector.

Considering the function and role of a bank is very important, namely for the country's economy. People use bank services to save or borrow funds for investment. The existence of a bank greatly influences the economy in society and extends to the country's economy and even

internationally, therefore banks will develop side by side with economic activity. A bank's main capital is public trust, related to saving funds in the bank concerned, in public trust, it is important to avoid a rush and panic, where the public can withdraw large amounts of their funds. Rush and panic events also occurred in Indonesia in 1998, when the monetary crisis occurred. Apart from that, it has intermediate functions and other specific functions, the main purpose of which is to establish a bank, namely to achieve profitability, maximize bank profits and company value Scott, (2001).

One of the indicators used to see profitability is to look at a bank's financial performance report. A bank that has good financial performance indicates that the bank can generate high profits. Profit is also a very important indicator in reports, especially company financial performance reports because it has various benefits. Profits in the form of bank profits can generally be used to assess conditions in banking, how the growth and survival of a bank will be in the long term. High banking profits can indicate whether the company has very good prospects in the future, that is, the higher the profitability that a company wants to achieve, the more guaranteed the survival of a company will be.

Apart from that, high profitability can also be used as a decision-making material for investors in investing their funds. If the resulting profitability is high, then investors think that a bank can have good and good development. So, in this case the capital invested can also increase, and the return on investment is large/high. A measure of bank profitability generally used is Return on Assets (ROA). Where ROA focuses on a company's ability to obtain earnings from company operations, it can be used in ratio analysis of a company's ability to manage the assets it owns Mawardi, (2005). In this research, ROA is used, because ROA can show a better measurement of company performance. The measurement of ROA according to SE BI No 13/30/DPNP dated 16 December 2011 is by comparing profit before tax to average total assets. If the ROA is higher, it shows healthy and good financial performance, because the bank can carry out its business activities well/smoothly, so that the return on capital will be high. Several factors are thought to influence ROA, including the Capital Adequacy Ratio (CAR), Non-Performing Loans (NPL), OER (Operational Efficiency Ratio), and Loan to Deposit Ratio (LDR) Rosyidah, (2012).

Company size is also considered capable of influencing the value of a company/bank, this is because the larger the size/scale of the company/bank, the easier it will be for the bank to obtain good sources of funding, both internal and external. Corporate governance is often known as Good Corporate Governance (GCG). GCG has 5 principles which, if fulfilled by a banking company, are expected to maximize the value and performance of the bank, as well as maintain the sustainability of the banking company in the long term in the future. According to Susanti in Amanti (2012) states that the existence of Good Corporate Governance (GCG) can also create added value or important points, because by implementing Good Corporate Governance it is hoped that the bank will have healthy performance, so that it can also create added value and improve a company value that allows it to provide profits for shareholders.

Several previous studies have been conducted by Siddique, (2016) which examined the influence of credit risk, capital, liquidity risk, operational cost ratio on banking performance. The research results show that capital and GCG influence banking performance in South Asia. Research by Ekinci & Poyraz, (2019), examines the influence of NPL, capital, company size on banking performance. The research results show that NPL and company size have a significant effect on banking performance in Türkiye. Research of Astohar (2016) examined the influence of capital and liquidity on the performance of sharia banking in Indonesia. The research results show that capital has a significant positive effect on Sharia bank performance

(ROA), while liquidity has no effect. Thus, the aim of this research is to investigate credit risk (NPL) and other bank-specific factors (OER, CAR, LDR, company size and GCG) which can influence bank performance in Indonesia. The banks in this research are banks registered on the IDX in 2021-2022.

2. Literature Review
2.1 Signalling Theory

In this theory, it can be explained that there is an asymmetry related to information between the company and other interested parties. Thus, companies need to convey some information that can be useful through a financial report to interested parties in decisions regarding future investments Riyanto, (2003). Several company criteria that can be observed by investors/other stakeholders are the development of profits obtained from the profit and loss report. This is the basis for the theory that returns/profits are an indicator of banking performance.

2.2 Agency Theory

Agency theory is a theory which states that agency arises when the management of a company is separated from its owners. The board of commissioners and directors act as agents of a company who are given the authority to manage the running of the company and make decisions on behalf of the owner. With the authority they have, managers have the possibility of not acting in the best interests of the owner due to differences in interests or conflicts of interest. Thus, management has different interests, namely the interests of the owner Riyanto, (2003).

2.3 NPL

NPL is a ratio that measures the quality of banking productive assets. NPL is often known as a ratio that measures the level of banking problem loans. Banks that have high levels of non-performing loans can reduce banking profitability. It is suspected that there is a significant influence of the OER ratio on company performance. Several previous studies on the influence of NPL on company performance (ROA) include Asima, et. Al. (2021), Ramzan & Gulden (2019), Inneke & Abdul (2023), Mufidatul (2016) where these four studies show that NPL has a significant negative effect on company performance.
H1: NPL has a significant effect on the performance of commercial banks listed on the IDX

2.4 OER

OER is Operational Efficiency Ratio. A ratio used to measure a bank's performance when generating profits. It is suspected that there is a significant influence of the OER ratio on company performance. Several previous studies on the influence of OER on company performance (ROA), include Widyaningrum & Septiarini (2015); Rima & Ahmad (2018), Lemiyana & Litriani Erdah (2016); Usman, (2016) ; Hakiim (2018), Rahmawati, et. al. (2021); Awintasari & Nurhodayati, (2021), due to evidence that the Variable Operational Efficiency Ratio (OER) faced by banks has an impact on banking performance which is proxied by the Return on Assets (ROA) ratio and shows that the greater the OER, the bank profitability will decrease. If the bank carries out its operations in an efficient manner, namely reducing the OER ratio, the income earned by the bank will certainly increase and will also be offset by increased profitability.
H2: OER has a significant effect on the performance of commercial banks listed on the IDX

2.5 CAR

CAR (Capital Adequacy Ratio) is a capital adequacy ratio that shows the banking ability to provide funds used to overcome possible risks of loss. It is suspected that there is a significant influence of the CAR ratio on company performance. Several previous studies on the influence of CAR on company performance (ROA) include Asima, et. al. (2021); Rahmawati, et. Al. (2021); Awintasari & Nurhodayati, (2021), Astohar, (2016) due to an increase in banking capital which is proxied by an increase in the CAR ratio, this has an impact on increasing banking performance which is proxied by the ROA ratio.

H3: CAR has a significant effect on the performance of commercial banks listed on the IDX

2.6 LDR

LDR (Loan to Deposits Ratio) is a ratio that measures a bank's ability to meet short-term obligations (which can be called liquidity) by dividing total credit by total Third Party Funds (DPK). It is suspected that there is a significant influence of the LDR ratio on company performance. Several previous studies on the influence of LDR on company performance (ROA) include research by Widyaningrum & Septiarini (2015), because the higher the LDR, the higher the company's profit level because the placement of funds in the form of credit provided increases, so that interest income will increase as well.

H4: LDR has a significant effect on the performance of commercial banks listed on the IDX

2.7 SIZE

Company size is a company scale which can be seen from the total assets at the end of the year. The total sales obtained can also be used as a benchmark to measure the size of the company. It is suspected that there is a significant influence of the LDR ratio on company performance. Several previous studies on the influence of SIZE on company performance (ROA) include Ekinci and Poyraz (2022), Oktaviani and Mongid (2022) because the lower the company risk will cause the cost of debt for large-scale companies to be smaller. When compared with small-scale companies, the company's low risk will encourage the company to use more debt.

H5: SIZE has a significant effect on the performance of commercial banks listed on the IDX

2.8 GCG

GCG is a series of processes, habits, policies, rules and institutions that influence the direction, management and control of a company or corporation. It is suspected that there is a significant influence of the LDR ratio on company performance. Several previous studies on the influence of SIZE on company performance (ROA) include Suwarno and Muthohar (2018); Nangoy et al., (2022) because more and more banking GCG meets the GCG index indicators, this shows that banks have a higher level of transparency and responsibility towards stakeholders and external parties.

H6: GCG has a significant effect on the performance of commercial banks listed on the IDX

3. RESEARCH METHODS

This quantitative research includes the data used is secondary data for all variables and data on financial ratios contained in Commercial Bank company reports listed on the IDX. Quantitative research is a method of testing certain theories by examining the relationships between variables. These variables are measured according to research instruments so that data consisting of numbers can be analyzed based on statistical procedures. In other words,

quantitative data is also data that is measured on a numerical scale or numbers. Then present the data for each variable studied, and carry out calculations to answer the problem formulation, followed by carrying out calculations to test the hypothesis (Sugiyono, 2017: 147). The population used in the research is management parties involved in commercial banking companies listed on the IDX, while the sampling technique is purposive sampling. Purposive sampling is a sampling technique taken at random where the targeted sample group has certain attributes. This research takes data from commercial bank companies registered on the IDX, namely targeting companies in the banking sector. The companies taken by researchers were 36 companies in 2021-2022. In this research, to test this hypothesis, the linear regression method was used using the Statistical Product and Service Solutions (SPSS) Version 25 application. The dependent variable in this research is the quality of Company Commercial Bank Performance (ROA) while the independent variable in this research is Non-Performing Loans (NPL), operational efficiency ratio (OER), Capital Adequacy Ratio (CAR), Loan to Deposit Ratio (LDR) variable, Company Size (Size), Good Corporate Governance (GCG). The data source is taken randomly where the targeted sample group has certain attributes. This research takes data from Commercial Bank companies listed on the IDX, namely targeting companies in the banking sector.

In this study, 6 independent variables and 1 dependent variable were used. For the independent variables, namely:

Variable	Formula
Ratio NPL/F (*Non-Performing Loan/Financing)*	NPL/F = $\frac{\text{Number of problematic loans}}{\text{Total Credit/Financing}}$ x 100% Based on sources from OJK provisions, Research of Kasmir, (2013:115), Research of Hanafi and Halim, (2012:331), and Research of Taswan, (2010:164).
Ratio OER (Operational Efficiency Ratio)	OER = $\frac{\text{Total Operating Costs}}{\text{Total Operating Income}}$ x 100%
Ratio CAR (Capital Adequacy Ratio)	CAR = $\frac{\text{Core Capital + Supplementary Capital}}{\text{Total Assets Weighted According to Risk}}$ x 100% Based on sources from the provisions for meeting minimum capital in accordance with (BI Regulation No. 13/PBI/2011) as well as in research by Fitriyani and Wahyu, (2018)
Ratio LDR (Loan to Deposit Ratio)	LDR/FDR = $\frac{\text{Amount of Credit/Financing}}{\text{Amount of Third-Party Funds}}$ x 100%
Ratio SIZE (Company Size)	SIZE = Ln (total assets)
Ratio GCG (Good Corporate Goverance)	There are a total of 32 indicator items contained in the annual financial report. If there is an indicator item, then the item is given a score of 1. If not, then the item is given a score of 0. The Good Corporate Governance Index for each company is obtained by adding up the scores for each question item. The maximum index value is 32 (which indicates 100% company compliance in implementing the guidelines). This GCG index comes from the Implementation Study of PP No.24 of 2005. GCG Index The indicator items used are as follows: a. Board Member Composition Index: 1) There are differences in the leadership of the Board of Commissioners and the Board of Directors.

2) The Company Board holds meetings at least 6 times a year.
3) There is a composition of Independent Commissioners of at least 1/3 of the total number of members of the Board of Commissioners.
4) There are Independent Commissioners who have a background in financial accounting.
5) There is a Finance Director who is responsible for the financial function in the company.
6) The company has a Company Secretary.

b. Audit Committee Index:
1) The Company has an Audit Committee.
2) There is an Audit Committee chaired by an Independent Commissioner.
3) There is an Audit Committee that has an accounting/finance background.
4) The Company has fully disclosed its Audit Committee membership in its Annual Report. The Company has reported the activities of the Audit Committee in its Annual Report.

c. Remuneration Committee Index:
1) The Company has a Remuneration Committee.
2) There is a Remuneration Committee whose members are mostly independent boards.
3) There is a Remuneration Committee chaired by an Independent Commissioner.
4) The Company has fully disclosed the membership of the Remuneration Committee in its Annual Report.
5) The compensation paid to the company board has been generally disclosed in the Annual Report.
6) There are Company Boards that receive part of their remuneration in the form of shares or stock options and this is disclosed in the Annual Report.

d. Shareholder Rights Index:
1) The company has provided notification to shareholders prior to the implementation of the GMS and/or whether the company provides adequate information regarding the implementation of the GMS in its Annual Report.
2) Shareholders can approve the re-election of members of the Company's Board at the GMS.
3) The Company has facilitated elections through proxy at the GMS.
4) There is an opportunity for company shareholders to vote via electronic mail.
5) The Company has disclosed information regarding related party transactions in its Annual Report.
6) The Company's Annual Report has disclosed the company's share ownership by the Company's Board.

e. Financial & Audit Relations Index:
1) The Company has published its Annual Report in accordance with the legally expected period.

	2) The company provides information regarding the existence of an adequate system for monitoring company risks in its Annual Report. 3) The company has disclosed the fees paid to external auditors (both for audit and non-audit activities) in its Annual Report. f. Disclosure Index: 1) There is a company Annual Report which contains information regarding the company's current and future prospects including material risk factors that may be faced. 2) There are companies that disclose a statement of responsibility in preparing their Financial Reports. 3) There are companies that publish statements regarding the adequacy of internal control in their Annual Report. 4) There are companies that disclose statements of compliance with applicable laws and regulations in their Annual Reports. 5) There are companies that disclose statements of compliance with corporate governance guidelines in their Annual Reports. 6) There are companies that disclose information regarding the company's degree of sustainability in their Annual Report. Based on sources from research by Putra and Dewayanto, (2019)
Return On Asset (ROA)	ROA (Y) = $\underline{\text{Net profit before tax}}$ x 100% Total Assets Based on sources from Dendawijaya, (2009)

The analysis method uses descriptive statistics for research variables, classical assumption testing (normality test, multicollinearity test, autocorrelation test, heteroscedasticity test), and hypothesis testing. This hypothesis testing uses multiple linear regression analysis techniques to obtain a comprehensive picture of the relationship between one variable and another variable. The dependent variable used is Return on Assets (ROA) and the independent variables are NPL Ratio, OER Ratio, CAR Ratio, LDR Ratio, SIZE Ratio, GCG Ratio. To find out whether there is a significant influence or not from the independent variable on the dependent variable, a multiple linear regression model or multiple linear regression method is used, which can be formulated as follows Ghozali, (2011:223):

From the values above, a multiple regression equation can be prepared as follows:

$$KB = \beta_0 + \beta_1 NPL + \beta_2 OER + \beta_3 CAR + \beta_4 LDR + \beta_5 LnSIZE + \beta_6 GCG + er$$

Dimana :

KP	: Bank Performance (ROA)
β_0	: Constant
β_1 NPL	: Ratio NPL
β_2 OER	: Ratio OER
β_3 CAR	: Ratio CAR
β_4 FDR	: Ratio FDR
β_5 Ln SIZE	: Company Size (Ln SIZE)
β_6 GCG	: Good Corporate Governance (GCG)
er	: error

4. Results and Discussion

4.1 Results

Multiple Linear Regression Results and Hypothesis Testing

Tabel 2. Hypothesis Testing Results

KB = β0 +β1NPL+ β2OER + β3CAR + β4LDR + β5LnSIZE + β6GCG + er KB = -0,063 - 0,010NPL- 0,013OER + 0,014CAR + 0,001LDR + 0,002LnSIZE + 0,061GCG + er				
Variables	**Prediction**	**Coefficient**	**Sig.**	
Constant		-0,063	0,127	
NPL	-	0,010	0,754	*
OER	-	0,013	0,109	*
CAR	+	0,014	0,039	*
LDR	+	0,001	0,860	*
LnSIZE	+	0,002	0,351	*
GCG	+	0,061	0,017	*
F-Statistic	3,554			
Sig (F-Statistic)	0.004			
Adj.R-Square	0.178			
Description: Significance: for alpha 5%* **NPL**: Non-Performing Loan; **OER**: Operational Efficiency Ratio ; **CAR**: *Capital to Adequacy Ratio*; **LDR**: *Liquid to Deposit Ratio*; **LnSIZE**: Natural Logarithm of Company Size, **ROA**: Return on Asset				

Source: Output Processed Data SPSS 25, 2024

4.2 Discussion

The Effect of Non Performing Loans (NPL) on Bank Performance (ROA)

Based on the tests carried out, the table in the t test above shows the calculated t value of -0.315 with a significance of 0.754. The t table value for the total data is 72 (n) and the independent variable (k) is 6 with a significance level of 5%, so the t table value is obtained amounting to 1.99714. Then we compare if, t count < t table then the variable is declared not significant. Because the variable.

Non Performing Loans (NPL) do not have a significant effect on Company Performance (ROA). This can be explained by each bank choosing different strategies to increase its profitability. Some banks have chosen a policy of channeling large amounts of loans to the public followed by increasing credit risks faced with the aim of maximizing profitability. This is better known as high risk high return. Several other banks choose to be very careful in disbursing loans to the public, to reduce the credit risks they face, despite the reduced profitability obtained by banks compared to banks that disburse more loans. This is better known as low risk low return. There are also banks that expect high lending to the public so that profitability will also be greater, but they face greater credit risks and declining profitability (high risk low return). This is what banks least expect. Based on the explanation above, the size of bank loan distribution to the public may not necessarily increase profitability, because loan distribution is accompanied by the risk of problematic or even non-performing loans (NPL).

The results of this research are not in line with Asima, et.al (2021), Ekinci & Poyraz, (2019), Inneke and Abdul, (2023), Mufidatul, (2016) that Non-Performing Loans (NPL) have a significant effect on bank performance (ROA). However, the NPL results do not have a significant effect, in line with research by Sofyan and Mohammad, (2022), Rima and Ahmad, (2018), Eduard, et.al, (2023) that Non-Performing Loans (NPL) do not have a significant effect on company performance (ROA).

The Effect of Operational Efficiency Ratio (OER) on Bank Performance (ROA)

Based on the tests carried out, the table in the t test table above shows the calculated t value of -1.627 with a significance of 0.109. The t table value for the total data is 72 (n) and the independent variable (k) is 6 with a significance level of 5%, so the value obtained ttable is 1.99714. Then we compare if , t count < than t table then the variable is declared not significant. Because the variable This can be explained by the fact that a high or low OER ratio does not necessarily have an impact on company performance (ROA). There is no evidence that the operational risks faced by the companies used as research samples will have an impact on company performance (ROA).

This is not in line with previous research conducted by Widyaningrum & Septiarini, (2015); Rima & Ahmad, (2018), Lemiyana & Litriani Erdah, (2016); Usman, (2016); Hakiim, (2018), Rahmawati, et al, (2021); Awintasari & Nurhidayati, (2021) that OER has a significant influence on company performance. However, the results of this research are in line with research by Eduard et al (2023) that OER does not have a significant effect on company performance (ROA).Pengaruh Capital Adequacy Ratio (CAR) terhadap Kinerja Bank (ROA)

Based on the tests carried out, the table in the t test table above shows the calculated t value of 2.112 with a significance of 0.039. The t table value for the total data is 72 (n) and the independent variable (k) is 6 with a significance level of 5%, so the t value is obtained table of 1.99714. Then we compare if , t count < than t table then the variable is declared not significant. Because the variable This means that every time there is an increase in banking capital, which is proxied by an increase in the CAR ratio, it has an impact on increasing banking performance, which is proxied by the ROA ratio.

This can be explained by the condition of banks having sufficient capital or excess capital, this will have the effect of reducing banks from various risks, especially the risk of bankruptcy, if banks experience extreme conditions such as a crisis or high levels of bad credit. Banking resilience can increase public reputation and trust. The public will entrust their funds to banks that have a good reputation, so that the collection of third party funds increases, making the distribution of bank loans to the public more and can increase the profitability of the banking sector. Such is the importance of banking in maintaining this capital ratio. Apart from having an impact on profitability, it also has an impact on public reputation and trust, banking liquidity, banking credit distribution, and even banking resilience in facing crises and the risk of bankruptcy. Because capital is so important, several Sharia financial institutions, including banks themselves, BMT, BPR, do not spend all the profits to be distributed as salaries or other things, but instead use the profits to increase the capital of the banking/financial institution to make it stronger and more resilient.

This is in line with research conducted by previous researchers, namely Asima, et.al, (2021); Rahmawati, et.al, (2021); Awintasari & Nurhidayati, (2021); Astohar, (2016), CAR has a significant effect on company performance. However, it is not in line (different) with the research of Suwarno & Muthohar, (2018), Widyaningrum & Septiarini, (2015); Lemiyana & Litriani Erdah, (2016); Usman, (2016); Hakim, (2018); Pravasanti, (2018); Nangoy, et. al,

(2022) state that the CAR variable has no significant effect on bank performance.

The influence of Loan to Deposit Ratio (LDR) on ROA

Based on the tests carried out, the table in the t table test above shows a calculated t value of 0.177 with a significance of 0.860. The t table value for the total data is 72 (n) and the independent variable (k) is 6 with a significance level of 5%, so the t table value is obtained. equal to 1.99714 Then we compare if , tcount < than t table then the variable is declared not significant.

This can be explained by the fact that increasing banking liquidity, which is proxied by the LDR ratio, does not necessarily increase banking profitability. High liquidity, but does not last long, meaning that banking liquidity funds are short term (short). If there is a withdrawal of large amounts of funds, it will result in banks becoming more careful and limiting in providing credit to the public. Banking prioritizes customer withdrawals rather than profits from providing credit/loans to the public. The limited amount of credit/loan distribution to the public has an impact on decreasing banking profitability (performance) as proxied by ROA. On the other hand, if banking liquidity is low or small, because it is channeled into credit loans, it does not necessarily increase profitability, because there is a credit risk that accompanies the distribution of bank credit loans. There needs to be a good, precise and correct credit loan analysis.

Banking needs and is even very important to determine the right liquidity strategy. Improper liquidity causes liquidity risk. Banks are faced with a situation where if liquidity is high while credit lending is low, then banking profitability will be less than optimal. On the other hand, if banks reduce liquidity by increasing the distribution of credit loans, then banks are faced with the risk of being unable to serve and fulfill large customer withdrawals. This could have a negative impact on the banking reputation itself.

This is not in line with research conducted by previous researchers, namely Asima, et.al, (2021), Rima & Ahmad, (2018), Enicar, et.al, (2022) that LDR does not have a significant effect on bank performance. However, this is in line with research by Widyaningrum & Septiarini, (2015) that the LDR variable has a significant effect on bank performance (ROA).

The Influence of Company Size (LnSIZE) on Bank Performance (ROA)

Based on the tests carried out, the table in the t table test above shows a calculated t value of 0.940 with a significance of 0.351. The t table value for the total data is 72 (n) and the independent variable (k) is 6 with a significance level of 5%, so the t table value is obtained. equal to 1.99714 Then we compare if , t count < than t table then the variable is declared not significant. Because the variable This means that the size of total banking assets (size) cannot be a determining factor in the rise and fall of banking performance (ROA).

This can be explained by banks having large total assets, not necessarily maximizing the productivity of their assets, especially in the Third Party Funds (DPK) section. Unproductive assets actually become a burden on banks because banks are still obliged to provide interest/profit sharing to customers. If a bank provides a smaller amount of interest/profit sharing than other banks, this will cause customers to move to other banks which can provide greater interest/profit sharing.

On the other hand, banks with total assets that are not too large do not necessarily have a lower ROA performance ratio. If total assets are not too large, there is a possibility that if they are managed productively, precisely, carefully and maximally, they can produce more profitability. If measured by comparing profitability with total assets, it will produce a higher

ROA ratio.

The results of this research are not in line with research by Ekinci & Poyraz, (2019), Octaviani & Mongid, (2022) that the research results show that company size as proxied by the natural logarithm of total assets has a significant effect on banking performance (ROA).

The Influence of Good Corporate Governance (GCG) on Bank Performance (ROA)

Based on the tests carried out, the table in the t table test above shows a calculated t value of 2.450 with a significance of 0.017. The t table value for the total data is 72 (n) and the independent variable (k) is 6 with a significance level of 5%, so the t table value is obtained. equal to 1.99714 Then we compare if , tcount < than t table then the variable is declared not significant. Because the variable This means that the better banking GCG, the more banking performance will improve as proxied by the ROA ratio.

This result can be explained by the greater number of banks' GCG compliance with GCG indicators, indicating that banks have a higher level of transparency and responsibility towards stakeholders and external parties. This can increase the public's reputation and trust in the banking sector. The more GCG indicators that banks fulfill, the better banking performance (ROA).

The results of this research are in line with research by Octaviani and Mongid (2022) Octaviani & Mongid, (2022); Halim & Buana, (2022) that Good Corporate Governance (GCG) has a significant positive effect on banking performance (ROA). Meanwhile, GCG has no effect on bank performance (ROA) in line with research by Suwarno & Muthohar, (2018); Nangoy, et.al, (2022).

5. Conclusion

Based on the results of data analysis that has been carried out regarding the influence of the NPL ratio, OER, CAR, LDR, Company Size (Size) and Good Corporate Governance (GCG) on the performance of Commercial Banks in Indonesia listed on the IDX in 2021-2022, it is concluded that the results Partial test (t test) shows that the variables Non Performing Loans (NPL), Operational Efficiency Ratio (OER), Loan to Deposit Ratio (LDR), and Company Size (Size) do not have a significant effect on Commercial Bank Performance (ROA). registered on the IDX in 2021-2022. Meanwhile, the Capital Adequacy Ratio (CAR) and Good Corporate Governance (GCG) variables have a significant positive influence on the Performance of Commercial Banks (ROA) listed on the BEI in 2021-2022

The value of the coefficient of determination R^2 is shown by the adjusted R Square value of 0.178 or 17.8%. This means that the variables NPL (X1), OER (X2), CAR (X3), LDR (X4), SIZE (X5), and GCG (X6), have an effect of 17.8% on ROA (Y). Meanwhile, 82.2% was influenced by other variables not examined in this study. Based on the results of this research, it is best to improve the performance of commercial banks by increasing their capital. Increasing capital is accompanied by appropriate strategies and steps in distributing credit loans to the public, so that the performance of general banks as proxied by the ROA ratio becomes greater. Apart from that, it is recommended that banking companies need to increase the implementation of the component elements that should be included in the 32 GCG indicators. The implementation of these GCG elements has an impact on improving the image of banking in the eyes of the public, increasing public reputation, and so on.

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