

## ABSTRACT

The success of a country can be seen through the rate of economic stability of the country. There are several important factors that can influence the maintenance of a country's economic stability, one of the influencing factors is the banking sector. However, currently the number of banks in Indonesia continues to decline every year. The decline in the number of banks in Indonesia can be caused by various things, including the many banks that are merging or consolidating. Consolidation is caused by banks have unfavorable banking performance indicators.

This study uses secondary data, data obtained from commercial bank financial reports published by Bank Indonesia and the bank's website, this study uses data from the 10 largest banks in Indonesia within the period 2012 to 2021. The data collected will be analyzed using multiple linear regression methods and processed with SPSS software version 25.

The results of this study indicate that market competition has a positive effect on profitability, income diversification has a positive effect on profitability, non-performing loans have a negative effect on profitability, size has a positive effect on profitability, capital adequacy ratio has a positive effect on profitability, loan to deposit ratio has a positive effect on profitability.

**Keywords: Competition, Diversification, Non-Performing Loan, Bank Size, Capital Adequacy Ratio, Loan to Deposit Ratio, Profitability, Bank**



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