

ABSTRACT

The Indonesian banking sector during the period 2018–2023 experienced significant changes, including increases in the Capital Adequacy Ratio (CAR), fluctuations in Non-Performing Loans (NPL), growth in credit and profit, as well as digital transformation and restructuring of ownership structure. These dynamics have impacted the operational performance of banks, which is the primary focus of this study.

This study aims to measure the efficiency level of commercial banks listed on the Indonesia Stock Exchange using the Data Envelopment Analysis (DEA) approach. Employing a quantitative method, the analysis was conducted on 41 banks as the research sample through descriptive analysis and hypothesis testing to examine the effects of CAR, NPL, ownership structure, and bank size on efficiency.

The results indicate that NPL, ownership structure, and bank size have a significant effect on operational efficiency, while CAR does not show a significant influence. These findings provide strategic recommendations to strengthen risk management and improve operational efficiency, as well as serve as a basis for regulators in formulating policies that support the stability and competitiveness of the national banking sector.

Keywords : *Financial Performance, Efficiency, Data Envelopment Analysis.*