

The Effect of Interest Rates, Non-Performing Loans (NPL), and Company Size on The Financial Performance (ROA) of PT Bank Rakyat Indonesia (Persero) Tbk for The Period 2014-2024

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Abstract: This study was conducted to determine the effect of interest rates, non-performing loans (NPLs), and company size on the financial performance of PT Bank Rakyat Indonesia (Persero) Tbk during the period 2014–2024. In this study, financial performance was proxied using return on assets (ROA) as an indicator of a company's ability to utilize its assets to generate profits. The method used is a quantitative approach with an associative research type. The research data consisted of secondary data sourced from the annual financial reports of PT Bank Rakyat Indonesia (Persero) Tbk, Bank Indonesia publications, and various other official sources relevant to the observation period. Data analysis was performed through descriptive statistics, classical assumption testing, and multiple linear regression to assess the effect of independent variables on dependent variables, both partially and simultaneously. This study is expected to provide empirical evidence on the factors that influence banking financial performance, particularly those related to changes in interest rates, credit risk levels, and company size. In addition, the results of this study are expected to be taken into consideration by management in strategic decision-making and to serve as a reference for investors, regulators, and future researchers in the field of financial management and banking.

Keywords: Firm Size; Financial Performance; Interest Rate; Non-Performing Loan; Return on Assets.

1. INTRODUCTION

In an increasingly dynamic business environment, a company's financial performance is an important indicator of organizational success because it reflects management effectiveness in utilizing resources to generate profit and maintain business continuity (Brigham & Houston, 2020; Hery, 2021). At the macroeconomic level, the banking sector plays a strategic role as a financial intermediary institution that channels funds from surplus units to deficit units, thereby supporting economic growth and financial stability (Rivai et al., 2018; Otoritas Jasa Keuangan, 2024).

PT Bank Rakyat Indonesia (Persero) Tbk (BRI) is one of the largest state-owned banks in Indonesia that contributes significantly to national economic development, particularly through financing the Micro, Small, and Medium Enterprises (MSME) sector. With a large asset scale and extensive service network, the bank is required to maintain sustainable financial performance and sound financial conditions. Company size is considered an important factor affecting financial performance because larger firms generally possess broader access to funding sources, operational efficiency, and economies of scale (Harahap, 2019; Nugroho & Santoso, 2021).

However, banking financial performance is not only influenced by internal conditions but also by macroeconomic factors. One of the most influential external variables is the interest

rate. Interest rate movements determined by monetary authorities affect the cost of funds, credit demand, and ultimately bank profitability (Bank Indonesia, 2023). Empirical evidence shows that changes in lending interest rates have a significant impact on banking financial performance (Putri, 2023).

In addition to interest rates, credit quality also becomes a primary concern in the banking industry. Credit quality is reflected in the Non-Performing Loan (NPL) ratio, which describes the proportion of problematic loans to total loans disbursed (Dendawijaya, 2018). A higher NPL indicates increasing credit risk that can reduce profitability due to rising allowance for impairment losses and declining interest income (Wulandari & Sari, 2022). Riswan and Martha (2024) also state that financial performance is influenced by several internal financial factors, while firm size may show inconsistent results depending on the bank’s risk management effectiveness.

Table 1. Bank Indonesia Reference Interest Rates 2014-2024 Period.

Year	Reference Interest Rate (%)
2014	7.50
2015	7.50
2016	6.50
2017	4.75
2018	6.00
2019	5.00
2020	3.75
2021	3.50
2022	5.50
2023	6.00
2024	6.00

Source: PT Bank Indonesia via its official website www.bi.go.id

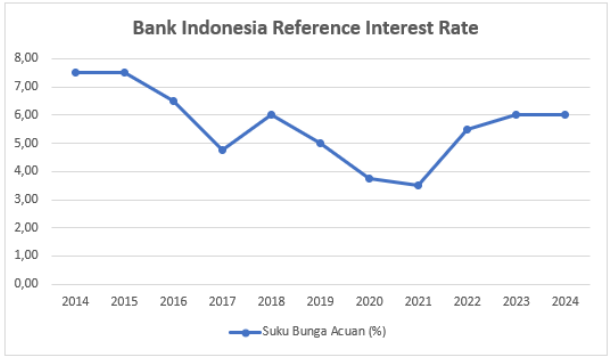


Figure 1. Bank Indonesia Reference Interest Rates 2014-2024 Period Graph.

Based on Table 1, Bank Indonesia's benchmark interest rate fluctuated throughout the 2014–2024 period. In 2014 and 2015, the interest rate remained relatively high at 7.50%, reflecting a relatively tight monetary policy aimed at maintaining inflation and exchange rate stability. After that, interest rates gradually declined, reaching their lowest level in 2021 at 3.50% as a result of the slowdown in economic activity during the COVID-19 pandemic.

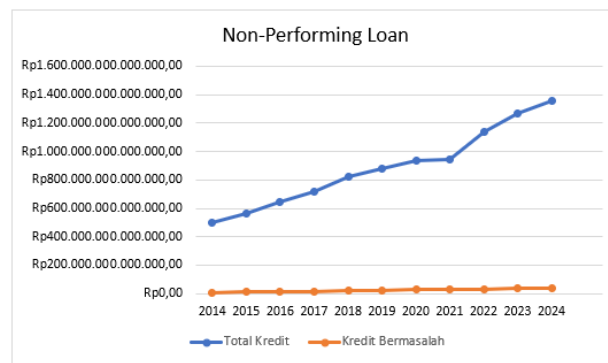


Figure 2. Non-Performing Loan Graph.

PT Bank Rakyat Indonesia (Persero) Tbk's Non-Performing Loan (NPL) data for the 2014–2024 period shows that lending has grown rapidly, from IDR 470 trillion to IDR 1,648 trillion, reflecting expansion in financing, particularly in the micro and MSME sectors. On the other hand, the value of non-performing loans also increased during the observation period, indicating an increase in credit risk in line with loan portfolio growth and the impact of economic conditions such as the pandemic and global macroeconomic pressures. However, the increase in NPLs is not always proportional to total credit growth, so it needs to be analyzed in terms of ratios to assess the relative quality of assets. High NPL levels have the potential to put pressure on profitability through increased loss provisions, which can impact the overall financial performance of banks.

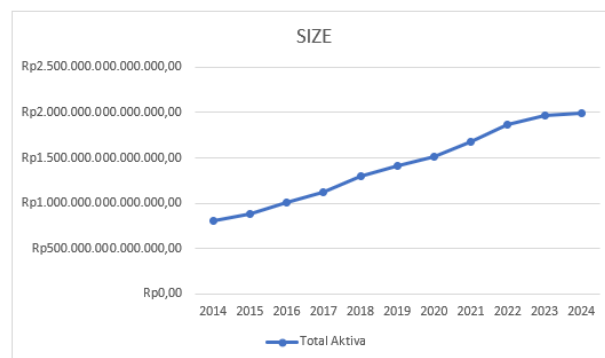


Figure 3. SIZE Graph.

Based on data from the 2014–2024 period, the total assets of PT Bank Rakyat Indonesia (Persero) Tbk showed consistent growth from IDR 801.96 trillion in 2014 to IDR 1,865.64 trillion in 2022, with a very significant jump in 2023 to IDR 19,657.01 trillion. This increase indicates business expansion, possible asset restructuring, or changes in financial reporting policies. In general, the increase in assets reflects the growth in the size of the company and the bank's operational capacity, which has the potential to affect the company's ability to generate revenue through economies of scale. Therefore, asset growth during the observation

period is an important aspect to be analyzed further in relation to the company's financial performance

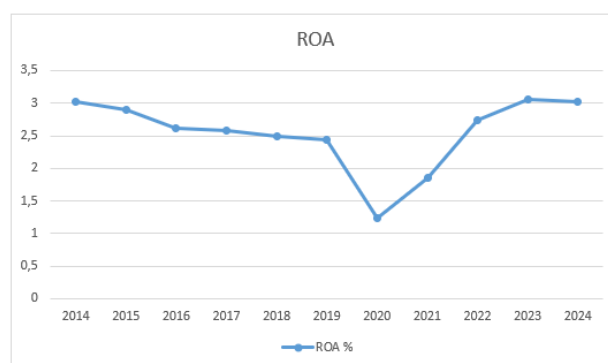


Figure 4. ROA Graph.

Return on Assets (ROA) reflects a company's ability to generate profits through the utilization of its assets. During the period 2014–2024, PT Bank Rakyat Indonesia (Persero) Tbk's ROA performance showed fluctuating but relatively stable movements, with the ratio remaining above 2% until 2019. In 2020, profitability declined due to the impact of the pandemic, despite an increase in assets. After that, net profit recovered significantly in the following years, although it was accompanied by significant changes in asset values, especially in 2023. Overall, these conditions demonstrate the company's ability to maintain profitability, with the caveat that efficient asset management remains an important factor in maintaining an optimal and competitive ROA.

2. THEORETICAL STUDY

Financial Performance

According to Hery (2016), financial performance is a form of evaluation conducted systematically to assess the level of efficiency and effectiveness of a company in generating profits and managing its financial position. Through financial performance measurement, companies can determine the growth and development of their business based on the utilization of available resources. A company can be said to have good performance if it is able to achieve predetermined targets or standards.

More broadly, financial performance describes a company's ability to maintain operational stability, manage risk, and create value for stakeholders. This performance assessment is generally carried out through financial ratio analysis, such as profitability, liquidity, solvency, and activity ratios. One of the profitability indicators that is often used is Return on Assets (ROA). ROA shows the extent to which a company is able to utilize all of its

assets to generate net profit. The higher the ROA value, the more efficient the company is in managing its assets. Mathematically, ROA can be formulated as follows

$$\text{Return on Asset (ROA)} = \frac{\text{Laba bersih}}{\text{Total aset}} \times 100\%$$

Figure 5. ROA.

Source: (Kasmir, 2019)

The Effect of Interest Rates

According to Siahaan (2020), interest rates are a highly sensitive policy instrument because they have a direct impact on both the real and financial sectors, especially in terms of bank lending activities. Changes in interest rates will affect funding costs, investment decisions, and demand for credit from the public and the business world.

In practice, the banking system in Indonesia refers to the benchmark interest rate set by the central bank as part of its monetary policy. The benchmark interest rate serves as a policy signal that influences the movement of market interest rates, both deposit and lending rates. When the benchmark interest rate increases, borrowing costs tend to rise, causing credit demand to decline. Conversely, a decrease in the benchmark interest rate usually encourages financing activities because borrowing costs become lower.

Non-Performing Loan (NPL)

Sudarsono (2020) states that Non-Performing Loans (NPLs) are one of the main indicators in assessing the health of a bank, as they reflect the proportion of non-performing loans compared to total loans disbursed. This ratio shows the extent to which the quality of a bank's productive assets is secure or at risk.

Conceptually, NPL describes the level of failure of debtors to meet their principal and interest payment obligations in accordance with the agreed terms. Loans are categorized as problematic if they are classified as substandard, doubtful, or loss. The higher the NPL ratio, the greater the credit risk faced by the bank, which can ultimately reduce profitability due to an increase in the provision for impairment losses (CKPN). Conversely, a low NPL ratio reflects good credit quality and effective risk management

3. RESEARCH METHOD

In a study, a method is needed as a guideline for the systematic steps used by researchers to solve problems and achieve research objectives. Descriptive methods are used to provide an overview of the research object based on actual conditions through the presentation of data as is.

This study uses a quantitative approach with an associative causal research type to analyze the effect of interest rates, Non-Performing Loans (NPL), and company size on financial performance, which is proxied by Return on Assets (ROA). The research population consists of the annual financial reports of PT Bank Rakyat Indonesia (Persero) Tbk for the period 2014–2024. All population data were used as samples, so this study applied the census method (saturated sampling). Data analysis techniques include:

- a. Descriptive Statistics
- b. Classical Assumption Tests (Normality, Multicollinearity, Heteroscedasticity, Autocorrelation)
- c. Multiple Linear Regression Analysis
- d. Coefficient of Determination Test (Adjusted R²)
- e. Partial Test (t-test)
- f. Simultaneous Test (F-test)

Regression Model:

$$ROA = \alpha + \beta_1 SB + \beta_2 NPL + \beta_3 SIZE + \varepsilon$$

4. RESULTS AND DISCUSSION

PT Bank Rakyat Indonesia (Persero) Tbk was chosen as the object of this study because it is one of the largest state-owned banks in Indonesia that plays an important role in financial intermediation, particularly in financing the micro, small, and medium sectors. As a banking institution with large-scale assets and an extensive service network, BRI's financial performance is interesting to analyze because it reflects the stability and effectiveness of managing public funds.

The analysis method used in this study is multiple linear regression to examine the effect of interest rates, Non-Performing Loans (NPL), and company size on financial performance, which is proxied by Return on Assets (ROA). This approach was chosen because it can explain the causal relationship between variables and measure the contribution of each factor in influencing bank profitability

Calculation and Discussion of NPL at PT Bank Rakyat Indonesia (Persero) Tbk

Table 2. NPL PT Bank Rakyat Indonesia (Persero) Tbk Period 2014-2024.

Year	Total Credit	Problematic Credit
2014	Rp. 495.097.288.000.000	Rp. 8.364.106.000.000
2015	Rp. 564.480.538.000.000	Rp. 11.380.718.000.000
2016	Rp. 643.470.975.000.000	Rp. 13.117.282.000.000
2017	Rp. 718.982.668.000.000	Rp. 15.147.081.000.000
2018	Rp. 820.010.057.000.000	Rp. 17.680.729.000.000
2019	Rp. 877.431.192.000.000	Rp. 23.947.410.000.000
2020	Rp. 938.373.880.000.000	Rp. 28.021.597.000.000
2021	Rp. 943.787.634.000.000	Rp. 29.067.658.000.000
2022	Rp. 1.139.077.067.000.000	Rp. 32.122.973.000.000
2023	Rp. 1.266.429.247.000.000	Rp. 39.532.601.000.000
2024	Rp. 1.354.640.779.000.000	Rp. 39.826.437.000.000

Source: Processed by the Author (2026)

Based on Table 2, During the period 2014–2024, PT Bank Rakyat Indonesia (Persero) Tbk's lending increased significantly from IDR 470 trillion to IDR 1,648 trillion, reflecting expansion in financing, particularly in the micro and MSME sectors. Along with this growth, the value of non-performing loans also increased from IDR 7.94 trillion to IDR 1,298 trillion. This condition indicates an increase in credit risk influenced by economic developments, including the impact of the pandemic and global macroeconomic pressures, which requires attention in maintaining asset quality and the stability of the bank's financial performance.

Calculation and Discussion of SIZE at PT Bank Rakyat Indonesia (Persero) Tbk

Table 3. SIZE PT Bank Rakyat Indonesia (Persero) Tbk Period 2014-2024.

Year	Total Assets
2014	Rp. 801.955.021.000.000
2015	Rp. 878.426.312.000.000
2016	Rp. 1.003.644.426.000.000
2017	Rp. 1.126.248.442.000.000
2018	Rp. 1.296.898.292.000.000
2019	Rp. 1.416.758.840.000.000
2020	Rp. 1.511.804.628.000.000
2021	Rp. 1.678.097.734.000.000
2022	Rp. 1.865.639.010.000.000
2023	Rp. 1.965.007.030.000.000
2024	Rp. 1.992.983.447.000.000

Source: Processed by the Author (2026)

Based on Table 3, During the period 2014–2024, the total assets of PT Bank Rakyat Indonesia (Persero) Tbk showed an upward trend from IDR 801.96 trillion to IDR 1,865.64 trillion by 2022, with a significant surge in 2023 reaching IDR 19,657.01 trillion. This increase reflects the growth in the size of the company and its operational capacity, as well as the possibility of business expansion or adjustments to asset recording. Overall, this asset growth

is an important indicator for assessing the impact of company size on profitability and financial performance efficiency in the long term.

Calculation and Discussion of ROA at PT Bank Rakyat Indonesia (Persero) Tbk

Table 4. ROA of PT Bank Rakyat Indonesia (Persero) Tbk for the Period 2014-2024.

Year	ROA
2014	3.02%
2015	2.89%
2016	2.61%
2017	2.58%
2018	2.50%
2019	2.43%
2020	1.23%
2021	1.85%
2022	2.74%
2023	3.06%
2024	3.02%

Source: Processed by the Author (2026)

Based on Table 4, During the period 2014–2024, PT Bank Rakyat Indonesia (Persero) Tbk's Return on Assets (ROA) performance showed fluctuating but relatively stable movements, with the ratio remaining above 2% until 2019. In 2020, there was a decline in profitability due to weaker net income despite an increase in assets, which was related to the impact of the pandemic on economic activity. After this period, net profit increased significantly again, although it was accompanied by significant changes in asset value, so that asset utilization efficiency remained an important factor. In general, these conditions reflect the company's ability to maintain its financial performance and indicate potential for sustainable growth if assets are managed optimally.

Descriptive Statistics

Table 5. Descriptive Statistics.

<i>Descriptive Statistics</i>					
	N	Minimum	Maximum	Mean	Std. Deviation
Interest Rate (X1)	11	3.500	7.500	5.63636	1.319866
Non-Performing Loan (X2)	11	1.690	3.084	2.49727	.481132
Company Size (X3)	11	34.318	35.222	34.84091	.318827
Financial Performance (Y)	11	1.234	3.063	2.53445	.562286
Valid N (listwise)	11				

Source: Processed by the Author (2026)

Based on the results of descriptive statistical tests in Table 5, The results of descriptive statistical analysis of 11 observations show that all research variables have relatively controlled data variation. Interest rates range from 3.500 to 7.500 with an average of 5.63636, reflecting moderate fluctuations during the observation period. The Non-Performing Loan ratio ranged from 1.690 to 3.084 with relatively small data dispersion, indicating credit risk stability. Company size also showed stable movement with a range of 34.318–35.222, indicating

consistent growth in company assets. Meanwhile, financial performance proxied by ROA had a value between 1.234 and 3.063 with an average of 2.53445, indicating that the company's profitability was at a fairly good level with reasonable variation during the study period.

Classical Assumption Test

Normality Test

Table 6. Normality Test.

<i>One-Sample Kolmogorov-Smirnov Test</i>			<i>Unstandardized Residual</i>
N			11
<i>Normal Parameters^{a,b}</i>	<i>Mean</i>		0.0000000
	<i>Std. Deviation</i>		0.22683844
<i>Most Extreme Differences</i>	<i>Absolute</i>		0.145
	<i>Positive</i>		0.124
	<i>Negative</i>		-0.145
<i>Test Statistic</i>			0.145
<i>Asymp. Sig. (2-tailed)^c</i>			0.200 ^d
<i>Monte Carlo Sig. (2-tailed)^e</i>	<i>Sig.</i>		0.742
	<i>99% Confidence Interval</i>	<i>Lower Bound</i>	0.731
		<i>Upper Bound</i>	0.753

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.

Source: Processed by the Author (2026)

The results of the normality test using the Kolmogorov–Smirnov method show a significance value of 0.200, which is greater than 0.05, so the residuals are declared to be normally distributed. This finding is supported by graphical analysis, where the histogram forms a bell-shaped curve and the Normal P–P Plot graph shows the residual points following a diagonal line. These conditions indicate that the deviation from the normality assumption is relatively small and the regression model meets the data normality criteria.

Multikolinearitas Test

Table 7. Multikolinearitas Test.

		<i>Coefficients^a</i>					<i>Collinearity Statistics</i>	
Model		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>				
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-69.043	26.363		-2.619	0.034		
	Interest Rate (X1)	0.336	0.098	0.789	3.443	0.011	0.443	2.258
	Non-Performing Loan (X2)	-1.106	0.618	-0.947	-1.792	0.116	0.083	12.009
	Company Size (X3)	2.079	0.802	1.179	2.591	0.036	0.112	8.905

a. Dependent Variable: Financial Performance (Y)

Source: Processed by the Author (2026)

The results of the multicollinearity test show that the interest rate and company size variables do not experience multicollinearity problems because they have tolerance values above 0.10 and VIF below 10. Conversely, the Non-Performing Loan variable has a low tolerance value and a VIF that exceeds the specified limit, indicating a strong relationship with other independent variables. Thus, the regression model still meets the multicollinearity assumption in general, but the NPL variable shows indications of high correlation in the model.

Heteroscedasticity Test

Table 8. Heteroscedasticity Test.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	95.860	130.740		0.733	0.487
	Interest Rate (X1)	-0.945	0.484	-0.809	-1.951	0.092
	Non-Performing Loan (X2)	0.056	3.062	0.017	0.018	0.986
	Company Size (X3)	-2.714	3.980	-.561	-.682	0.517

a. Dependent Variable: Ln_RES

Source: Processed by the Author (2026)

Testing for heteroscedasticity using the Park method shows that all independent variables have significance values above 0.05, namely interest rates of 0.092, non-performing loans of 0.986, and company size of 0.517. These results indicate that there is no significant relationship between the independent variables and the residuals, so the regression model can be declared free of heteroscedasticity.

Autocorrelation Test

Table 9. Autocorrelation Test.

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.915 ^a	0.837	0.768	0.271124	2.803

a. Predictors: (Constant), Company Size (X3), Interest Rate (X1), Non-Performing Loan (X2)

b. Dependent Variable: Financial Performance (Y)

Source: Processed by the Author (2026)

The autocorrelation test results using Durbin–Watson show a value of 2.803. With a sample size of 11 and three independent variables, this value is within the required limits and therefore does not fall within the autocorrelation area. Therefore, the regression model is declared free from both positive and negative autocorrelation, meaning that the assumption of residual independence has been fulfilled.

Multiple Regression Test

Table 10. Multiple Regression Test.

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.915 ^a	0.837	0.768	0.271124	2.803

a. Predictors: (Constant), Company Size (X3), Interest Rate (X1), Non-Performing Loan (X2)
b. Dependent Variable: Financial Performance (Y)

Source: Processed by the Author (2026)

Multiple Linear Regression Equation as follows:

$$Y = -69.043 + 0.336X_1 - 1.106X_2 + 2.079X_3$$

Based on the results of data processing using SPSS, the following multiple linear regression equation was obtained:

$$ROA = -69.043 + 0.336 (\text{Interest Rate}) - 1.106 (\text{NPL}) + 2.079 (\text{Company Size})$$

This equation shows that:

- Interest rates have a positive effect on financial performance
- NPL has a negative effect on financial performance
- Company size has a positive effect on financial performance

The regression model has strong explanatory power.

The coefficient of determination (R^2) value of 0.837 indicates that 83.7% of the variation in Financial Performance can be explained by Interest Rate, NPL, and Company Size, while the remaining 16.3% is explained by other variables outside the researcher's model.

Koefisien Determinasi (R^2) Test

Table 11. Koefisien Determinasi (R^2) Test.

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
		B	Std. Error	Beta	t		Tolerance	VIF
1	(Constant)	-69.043	26.363		-2.619	0.034		
	Interest Rate (X1)	0.336	0.098	0.789	3.443	0.011	0.443	2.258
	Non-Performing Loan (X2)	-1.106	0.618	-0.947	-1.792	0.116	0.083	12.009
	Company Size (X3)	2.079	0.802	1.179	2.591	0.036	0.112	8.905

a. Dependent Variable: Financial Performance (Y)

Source: Processed by the Author (2026)

The results of the coefficient of determination analysis show an R Square value of 0.837, which means that approximately 83.7% of the variation in financial performance can be explained collectively by interest rates, non-performing loans, and company size. Meanwhile, the remaining 16.3% is influenced by other factors outside the model, such as capital ratio, liquidity, operational efficiency, macroeconomic conditions, and managerial aspects that were not examined.

The Adjusted R Square value of 0.768 indicates that after considering the number of variables and research samples, the model still has strong explanatory power. Thus, the regression model used can be considered quite good and suitable for explaining the relationship between independent variables and financial performance.

Hipotesis Test

T-test (Partial)

Table 12. t-Test (Partial).

		Coefficients ^a					Collinearity Statistics	
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	-69.043	26.363		-2.619	0.034		
	Interest Rate (X1)	0.336	0.098	0.789	3.443	0.011	0.443	2.258
	Non-Performing Loan (X2)	-1.106	0.618	-0.947	-1.792	0.116	0.083	12.009
	Interest Rate (X1)	2.079	0.802	1.179	2.591	0.036	0.112	8.905

a. Dependent Variable: Financial Performance (Y)

Source: Processed by the Author (2026)

The t-table value is determined based on a significance level of 5% with a degree of freedom (df) of 7, which is obtained from the sample size of 11 minus the number of independent variables of 3 and one constant. Thus, the t-table value is 2.365 and is used as the basis for decision making in partial tests.

The test results show that the interest rate variable has a significance value of 0.011, which is less than 0.05, so it is declared to have a positive and significant effect on financial performance. Therefore, the first hypothesis is accepted. The Non-Performing Loan variable has a significance value of 0.116, which exceeds 0.05, so it does not have a significant effect on financial performance and the second hypothesis is rejected. Meanwhile, company size shows a significance value of 0.036, which is smaller than 0.05, thus proving to have a positive and significant effect on financial performance, so the third hypothesis is accepted.

F-test (Simultaneous)

Table 15. F-test.

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.647	3	.882	12.004	.004 ^b
	Residual	.515	7	.074		
	Total	3.162	10			

a. Dependent Variable: Financial Performance (Y)

b. Predictors: (Constant), Company Size (X3), Interest Rate (X1), Non-Performing Loan (X2)

Source: Processed by the Author (2026)

The F table value is determined at a significance level of 5% with a numerator degrees of freedom (df₁) of 3 and a denominator degrees of freedom (df₂) of 7, resulting in an F table value

of 4.35. Based on the ANOVA test results, a calculated F value of 12.004 was obtained with a significance level of 0.004.

Because the calculated F value is greater than the F table value and the significance value is less than 0.05, the null hypothesis is rejected. This indicates that interest rates, non-performing loans, and company size together have a significant effect on financial performance.

5. CONCLUSION

Based on the results of the analysis and discussion regarding the effect of interest rates, Non-Performing Loans (NPLs), and company size on the financial performance of PT Bank Rakyat Indonesia (Persero) Tbk for the period 2014–2024, several conclusions were drawn. Simultaneously, the three independent variables were proven to have a significant effect on financial performance, as indicated by the F-test significance value of 0.004, which is less than 0.05. This indicates that changes in financial performance can be explained jointly by interest rates, NPLs, and company size.

Partially, interest rates have a positive and significant effect on financial performance with a significance value of 0.011, so that an increase in interest rates tends to be followed by an increase in financial performance. Conversely, the NPL variable does not show a significant effect because the significance value is 0.116, so that changes in the level of non-performing loans do not have a real impact on financial performance during the research period. Meanwhile, company size proved to have a positive and significant effect with a significance value of 0.036, indicating that the larger the company scale, the more likely financial performance is to increase.

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