

## **ABSTRACT**

*The profit growth of national banking industry has shown in a good track. This is evident in the financial performance of quarter III-2017, particularly for large-scale market leader banks that have shown a significant increase. The highest profit growth was obtained by Bank BNI by 31,6% or increased to Rp10,15 trillion during the period. The next is Bank Mandiri, it grew by 25,4% to Rp15,06 trillion, and Bank BTN grew by 23,68% to Rp2 trillion. The main contributor to the increase in the profit is the banks' ability to lower their costs through efficiency in their operation and their ability to lower bad credit provisioning. The significant profit obtained is expected to further extend the accessibility of formal financial service by the people, by improving the banks' financial inclusion.*

*Financial inclusion is defined as efforts to provide accessibility, availability, and usage of a formal financial system for all members of the economy without any social exception. In the financial inclusion, there are 3 indicators; they are penetration, availability, and the usage. Penetration means the equal accessibility of financial service that will eventually attract the widest possible customers. Furthermore, availability means the banking service must be easily available for the consumers, and usage that is good usage or utilization of banking service provided by the banks.*

*This research aims at finding out the influence of penetration, availability, and usage to the bank's profit at 10 general conventional banks registered in BEI within 2012–2016 period. The independent variables used here are penetration, availability, and usage. As for dependent variable, it's the bank's profit. This research uses the quantitative method. The populations used are conventional general banks. This research used purposive sampling technique with 10 general conventional banks as the samples. To interpret the result of the research the author used descriptive analysis and regression analysis of the panel data using fixed effect.*

*The result of the research shown that the penetration, availability, and usage as the indicators in the financial inclusion have no significant positive influence to the bank's profit, and this is consistent with the Ikram and Lohdi (2015) theory.*

*The banking companies must provide a more effective and optimized financial service, and offer effective and beneficial products for the customers, to ensure and attract customers or investors. This can be achieved by improving the company performance to get optimum profits and improving other factors that can influence the maximum increase in the bank's profit.*

*Keywords: Financial Inclusion, penetration, availability, usage, bank's profit*