ABSTRACT

The purpose of this study is to analyze the effect of return on asset, return on equity, non-performing loan, and loan to deposit ratio on capital adequacy ratio.

Samples are determined based on the purposive sampling method, as many as five companies. Secondary data taken in the form of bank financial reports starting from 2013 to 2017. Data analysis techniques in this study using panel data regression. CAR as a dependent variable, ROA, ROE, NPL, and LDR as independent variables. Processing data using Eviews.

The results provide evidence that ROA, ROE, NPL and LDR have a simultaneous significant effect on CAR on banking companies registered in IDX for the period 2013-2017. NPL has a significant positive effect on CAR. ROA, ROE, and LDR have no significant negative effect on CAR

Keywords: Return on Asset (ROA), Return on Equity (ROE), Non Performing Loan (NPL), Loan to Deposit Ratio (LDR), Capital Adequacy Ratio (CAR).