

ABSTRACT

This study aims to analyze and test the determinants of banking capital structure in Indonesia which are listed on the Indonesia Stock Exchange for the 2016-2020 period. The independent variables in this study are profitability, liquidity, tangibility, firm size, growth, and risk. While the dependent variable in this study is the capital structure that is tested with leverage.

This study uses data on the financial statements of banking sub-sector companies listed on the Indonesia Stock Exchange for the period 2016 – 2020. The sample selection in this study used a purposive sampling method and obtained as many as 10 banking companies. The data analysis technique in this study uses panel data regression and hypothesis testing using partial and simultaneous tests and the coefficient of determination. The data analysis technique in this study used panel data regression, as well as hypothesis testing using partial, simultaneous, and coefficient of determination tests.

The results of this study conclude that partially profitability and firm size have a effect on capital structure. While liquidity, tangibility, growth, and risk partially have no effect on capital structure. Simultaneously, profitability, liquidity, tangibility, firm size, growth, and risk have a effect on capital structure.

Keywords: Capital Structure, Financial Performance, Company Size, Company Growth, Company Risk.