

## **ABSTRACT**

*The purpose of a company is to maximize company value or shareholder wealth. Increasing the value of the company is an achievement in accordance with the wishes of the owner, because with the increase in the value of the company, the welfare of the owners will also increase. So that the company shows good performance that can affect investors' perceptions of the company.*

*This study aims to determine the effect of leverage (DAR), profitability (ROI), earnings per share (EPS) and firm size (SIZE) on firm value (PBV) in banking companies listed on the Indonesia Stock Exchange in 2014-2017. The data used in this study were obtained from financial report data and annual reports. The financial statements and annual reports are taken from the official website of the Indonesia Stock Exchange.*

*The population in this study are banking companies listed on the Indonesia Stock Exchange in 2014-2017. The sampling technique used was purposive sampling and obtained 34 companies with a research period of 4 years, to obtain 136 sample data. The method of data analysis in this study is multiple linear regression analysis using the SPSS 23 software.*

*The results showed that simultaneously leverage (DAR), profitability (ROI), earnings per share (EPS) and firm size (SIZE) had a significant effect on firm value (PBV). Partially leverage (DAR) has a significant effect on the positive direction of firm value. Profitability (ROI) has a significant effect on the positive direction of firm value. Earning per share (EPS) does not affect the value of the company. Firm size (SIZE) does not affect the value of the company.*

*Based on the results of this study, if a banking company seeks to increase company value, then the company needs to pay attention to leverage (DAR) and profitability (ROI) due to a positive effect on firm value. Companies can consider leverage because large leverage is not always a risk for the company. The company is also advised to maintain good asset management so that the company can maintain its profits and increase the firm's value.*

**Keywords: Earning Per Share, Firm Size, Firm Value, Leverage, Profitability**