

Abstract

Banking activities have a very important role in the economy of a country. Therefore banks should maintain and improve the health of the bank itself. The bank's health level can be seen from the bank's bank performance. This research aims to determine the influence of capital adequacy ratio to the profitability of banking; Non-performing loan influences the profitability of banks; Influence of loan deposit ratio to banking profitability; Influence of capital adequacy ratio, non performing loan, and loan deposit ratio simultaneously to the banking profitability listed on the Indonesia Stock Exchange in 2016-2018. This research uses all the banking sub-sector data listed on the Indonesia Stock Exchange period 2016-2018. The sample selection technique used is purposive sampling and obtained 37 bank with 3 years time so obtained 111 samples observed. The data analysis method used is a regression analysis of the data panel (Time Series & cross section) using E-views software.

Based on the results of this study shows that the capital adequacy ratio, non performing loan and loan deposit ratio affect the profitability of the banking simultaneously. Partially, capital adequacy ratio and non performing loan do not affect the profitability of the banking. The loan deposit ratio has a positive effect on the banking profitability listed on the Indonesia Stock Exchange in 2016-2018. Therefore, these variables can be used as important variables in the banking profitability.

Keywords: Capital Adequacy Ratio, Non Performing Loan, Loan Deposit Ratio, and Profitability.