ABSTRACT

This study analyzes the effect of size, CAR, LDR, foreign ownership, and the capitalization of the banking efficiency level measured with the non-parametric method of Data Envelopment Analysis (DEA) in the period 2011-2014.

The data used in this study was obtained from the Directory of Financial Statements published in the stock exchange of each ASEAN country and via bloomberg terminal in the time period of 2011-2014. After passing through the purposive sampling stage, the samples which are to be used consist of 64 banking companies. As for the banking company sampled in this study are; 30 banks from Indonesia, nine banks from Malaysia, 12 banks from the Philippines, three banks from Singapore, 9 banks came from Thailand, and one bank from Vietnam. As for the other countries which are members of ASEAN such as; Brunei, Cambodia, Laos, and Myanmar were not included because of the absence of complete data sources that met the study criteria. The input variables used to calculate with the DEA method in this research is the deposits, interest expense, and personnel expense. While the output variables used in this study include credits, interest income and non-interest income.

The results showed that the size, LDR, and capitalization variables had a significant and positive effect on efficiency. Of the five variables, the size variable have the greatest influence to the banks efficiency, the results of this study can be a suggestion for the banks to consider and plan their total owned assets, loan to deposit ratio and capitalization in order to improve the bank efficiency.

Keywords: ASEAN, Bank efficiency, Data Envelopment Analysis, size, CAR, LDR, foreign ownership, dan capitalization.