The Influence of Financial Ratio on Shares Prices of Commercial Banks That Experience Profits on The Indonesian Stock Exchange

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DOI: https://doi.org/10.9744/jremb.1.1.9-20

Abstract

This research aims to determine the effect of Profitability, Market Value, Capital, Asset Quality to the stock price at the commercial banks in the Indonesia Stock Exchange period 2015-2019. The population has been selected by using purposive sampling method at commercial banks which are listed in Indonesia Stock Exchange (IDX) in 2015-2019 periods and based on the predetermined criteria, 17 commercial banks have been selected as samples, while the number of years used are five years, so the sample size is 85 data. The analysis technique used in this research is multiple linear regression analysis and SPSS (Statistical Product and Service Solution) application tool. The result of the research shows that Profitability and Market Value give positive and significant influence on the stock price, Capital gives negative and significant influence on the stock price, and then Asset Quality does not give any significant and positive influence to the stock price.

Article Info:
Submitted: October. 12, 2023
Reviewed: October 28, 2023
Published: November 01, 2024

Keywords:
Profitability (ROA),
Market Value (PBV),
Capital (CAR),
Asset Quality (NPL)
stock price.

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INTRODUCTION

Banking is a financial institution that stores and provides funds to those in need, so its existence is linked to economic growth in Indonesia. This is what makes banking one of the most popular sub-sectors in the capital market. By having proof of ownership, the shares can provide future profits in accordance with the agreement formed, so it is very important to make considerations before buying shares. These considerations will later influence the strength of demand and supply of shares, which has an impact on share price movements in the capital market.

This consideration is based on the company's financial reports, whether the company has good prospects or has the ability to generate profits, if compared with companies that have suffered losses even in a certain year.

Based on Figure 1 above, the percentage increase in share prices decreased significantly over the course of a row and this happened when the bank had very good prospects for generating profits every year. Therefore, based on the phenomenon data above, it can be concluded that the problem of this research is a decline in the growth of commercial bank share prices which can generate profits, so it is necessary to know what influences this.

The occurrence of a decrease or increase in share prices can be related to financial performance (Sutanto & Leng, 2023), which includes all ratios to be used in assessing the company's achievements or performance. This is in accordance with the use of signal theory in research. The financial ratios for assessing share prices in this research are profitability ratios measuring it with Return On Assets (ROA), market value measuring it

with Price to Book Value (PBV), capital measuring it with the Capital Adequacy Ratio (CAR), and asset quality measuring it with Non-Performing Loans (NPL).

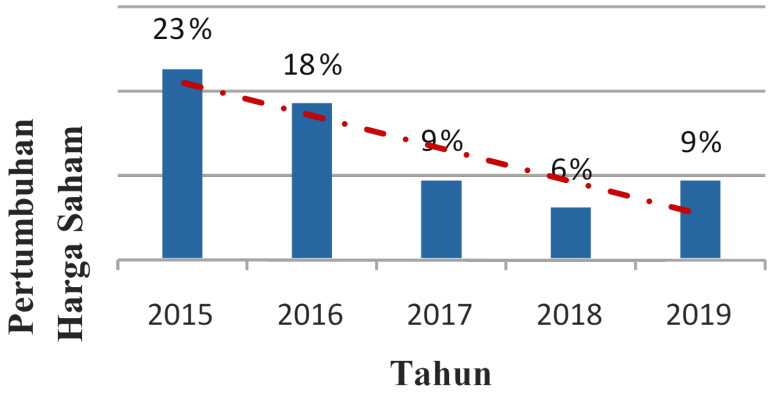

Figure 1. Increase in Commercial Bank Share Prices on the Indonesian Stock Exchange 2015-2019

Based on the explanation of the background above, the researcher set the research objectives as first, profitability has an influence on share prices in commercial banks on the Indonesian stock exchange. second, market value has an influence on share prices in commercial banks on the Indonesian stock exchange. third, capital has an influence on share prices in commercial banks listed on the Indonesian stock exchange. finally, fourth, asset quality has an influence on share prices in commercial banks listed on the Indonesian stock exchange.

LITERATURE REVIEW AND HYPOTHESIS

Financial Ratios

Financial ratios are a method that can be used to assess the health or performance achieved by a company by comparing financial data based on the results of quantitative ratio calculations contained in the financial statements in the balance sheet and profit and loss. This method is carried out in the hope of finding the results of decisions which can then be used as study material to be analyzed and processed in depth (Nafi'ah, 2020).

Stock Price

The share price is a value that can describe the wealth of the company that issued it. Where movements are largely determined by the market, this cannot be separated from the forces of demand and supply. If the demand for shares in a company is higher, it shows that there is great interest from investors in buying these shares, and these shares are considered capable of providing good prospects in the future so that profits will be obtained. However, if the offer for a share in a company is higher, it shows that the share is not selling well in the market, this could be due to a decrease in investor interest caused by a decline in the bank's prospects in the future (Rosita et al., 2016).

Profitability

Profitability is a ratio that can show a company's ability to gain profits, which can come from sales, investment funds, or capital. This ratio can be a reference for how policies or management decisions implemented are able to measure the overall level of management effectiveness, thus reflecting the size of the profits obtained (Asnaini et al., 2018).

Profitability is proxied by using Return on Assets (ROA). Where according to Putri and Prijati (2017) Return on Assets (ROA) is a ratio used by a company to measure its ability to manage all its assets or assets so as to produce a profit. A bank that has a larger ratio will reflect that its performance will be better so that investors will have greater confidence in that bank.

According to Moeljadi (2006) that this ratio is formulated as follows:

$$\text{ROA} = \frac{\text{Earning After Tax}}{\text{Total Aktiva}} \text{ x } 100\% \qquad \text{Equation 1.}$$

Market Value

According Adipalguna and Suarjaya (2016) market value is a ratio that can measure how much the market recognizes a company's financial condition regarding its achievements or performance during a certain period. This ratio will be used by investors to see the development of the company's market value relative to its book value.

Market Value can be proxied using Price to Book Value (PBV) where this ratio is used as a benchmark to see market recognition of a company. By comparing one company's shares with another, and whether these shares can be said to be expensive or cheap. A company that has high recognition will be reflected in an increase in its share price, but if there is low market recognition it will reduce the price of its shares (Syahputra, 2019). According to Brigham and Houston (2010) that this ratio uses the following formula:

$$\text{PBV} = \frac{\text{Harga pasar per saham}}{\text{Nilai buku per lembar saham}} \qquad \text{Equation. 2}$$

Capital

Capital is a ratio used to make an assessment regarding the adequacy of bank capital, whether the capital can cover all risks that occur. This is a form of anticipation of current and future risks (Haryetti,2012). Capital is proxied using the Capital Adequacy Ratio (CAR), where this ratio can reflect the amount of bank assets or assets which contain an element of risk, related to the smooth running of the bank's operational activities. If bank capital can finance these risk elements, then it can be said that the capital owned by the bank is very adequate (Putri dan Prijati, 2017). According Martanorika dan Mustikawati, (2018) that this ratio uses the following formula:

$$\text{CAR} = \frac{\text{Modal Bank}}{\text{ATMR}} \text{ x } 100\% \qquad \text{Equation. 3}$$

Asset Quality

According to Mudrajat and Suhardjono (Christie, 2016) Asset quality is a ratio that is related to the credit risk of assets provided by banks to parties in need of a diverse portfolio. Therefore, to minimize risks, it is necessary to assess asset quality, so that it will be known how prepared the bank is to face risks that arise and what its ability is to manage productive assets.

Asset quality can to prediction for using Non-Performing Loan (NPL) where this ratio is used as a tool in measuring the existence of problem loans, due to funds that have been channeled to debtors and there is a bottleneck in returning them within a certain time that has been determined based on mutual agreement. This causes these funds to not be reprocessed by the bank in the form of credit as a source of receipt (Reskita, 2016). According to Riyadi (Martanorika dan Mustikawati, 2018) that this ratio can be calculated using the following formula:

$$\text{NPL} = \frac{\text{Total Kredit Bermasalah}}{\text{Total Kredit yag diberikan}} \text{ x } 100\% \qquad \text{Equation. 4}$$

Research Hypothesis

Based on the previous explanation, a research conceptual framework and hypotheses were obtained which are shown in Figure 2.

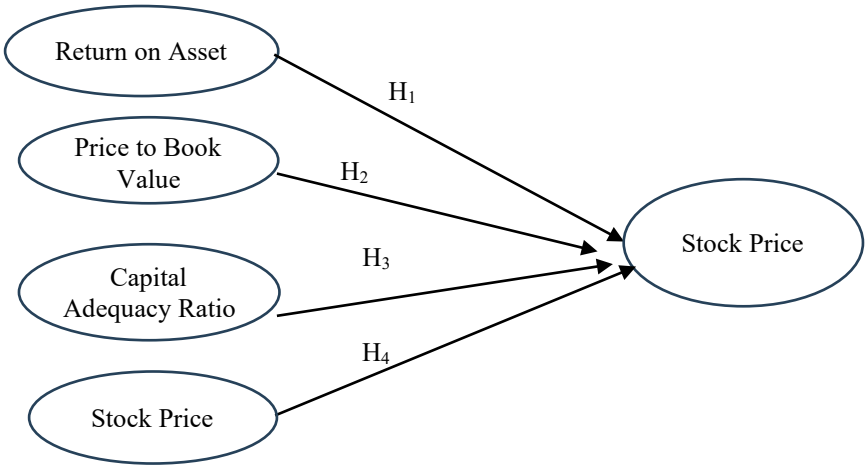

Figure 2. Research Hypothesis Framework

Based on the research framework in Figure 2, the following research hypothesis can be determined:
H_1 : Return On Assets has a significant positive influence on stock prices
H_2 : Price to Book Value has a significant positive influence on stock prices.
H_3 : Capital Adequacy Ratio has a significant positive influence on stock prices.
H_4 : Non-Performing Loans have a significant negative influence on stock prices.

RESEARCH METHOD

Population and Sample

The population used consists of the total number of banking sub-sector companies that are experiencing profits on the Indonesia Stock Exchange for the 2015-2016 period with a total of 33 listed companies. The sample used was a purposive sampling method which was carried out through a selection process based on the researcher's judgment.

Table 1. Company Observation Data

No.	Criteria	Amount
1.	Banking sub-sector companies that experience profits on the Stock Exchange Indonesia 2015-2019.	33
2.	Companies newly listed on the Indonesian Stock Exchange include: ARTO and BGTG in 2016, BRIS and BTPS in 2018.	4
3.	Companies that did not publish annual reports and financial reports ending December 31 during the research period.	10
4.	Companies delisted from the Indonesian Stock Exchange include: BBNP and NAGA in 2019	2
	Total Sample	17
	Research observation data is 17 companies x 5 years	85

This type of research is observed and used with a quantitative approach, where the research data includes secondary data in the form of numbers and can be measured or calculated. This research data was obtained from financial reports based on the objects in the research.

Variables and Operational Definitions

In general, the variables that can be used include the dependent variable (Y) and the independent variable (X).

Table 2. Operational Definition

Variable	Indicator	Formula
Stock Price	Closing Price	Closing Price (*Closing price*) formed at the end of stock trading
Profitability	LONG	$\frac{\text{Laba Bersih}}{\text{Total Aset}} \times 100\%$
Market value	PBV	$\frac{\text{Harga pasar per saham}}{\text{Nilai buku per lembar saham}}$
Capital	CAR	$\frac{\text{Modal Bank}}{\text{ATMR}} \times 100\%$
Asset Quality	NPL	$\frac{\text{Total Kredit Bermasalah}}{\text{Total Kredit yag diberikan}} \times 100\%$

Multiple Linear Regression

The analysis used in this research is in the form of multiple linear regression analysis, this is because more than one independent variable is used in the research. The functional equation of this analysis is:

$Y = \alpha + \beta 1\ X1 + \beta 2\ X2 + \beta 3\ X3 + \beta 4\ X4 + ei$ Equation. 5

Where:
Y = Stock Price
X1 = Profitability (ROA)
X2 = Market Value (PBV)
X3 = Capitalization (CAR)
X4 = Asset Quality (NPL)
α = Constanta
β = Regression Coefficient of Each Variable
e = Standard Error

According to Ghozali (2013), the use of the outlier test is useful for looking for data or problem cases that have unique characteristics and are different from previous findings. The following causes of outlier data include:

- There was an error in inputting data.
- There was a failure to specify its existence of missing value in the computer.
- The samples taken do not include members of the population.
- Outliers are taken from sample data in research but the distribution of variables in the population is not normally distributed.

The use of the normality test, in general, has the aim of being able to show whether a normal distribution occurs or not in disturbing or residual variables in a regression model. Where research can be said to be good and appropriate, if it has a regression model that has a normal distribution or is close to normal (Ghozali, 2016). According to Salvatore (2005) that multicollinearity testing is related to two or explanatory variables in a regression model that have a high correlation. The use of the heteroscedasticity test is useful to know whether there is a difference in each variant from the residual of one observation to another observation in linear regression. However, if one residual is combined with other observations, the result will still be homoscedasticity. So, a good regression model is if the research does not contain heteroscedasticity. The Autocorrelation Test aims as a basis for conducting tests regarding whether there is a correlation between correlation confounding errors in each current period and confounding errors in the previous period in a linear regression model. If there is a correlation in the research, it will cause autocorrelation (Lestari dan Hermanto, 2015).

According to Harahap dan Hairunnisah (2017) T-test as a guide regarding the aim of finding out how individually each independent variable has an influence on the dependent variable. If the calculated t is greater than the t table value, it is concluded that the independent variable individually has a level of influence on the dependent variable.

According to Harahap dan Hairunnisah (2017) The F test has the purpose of testing the validity of a regression model by testing whether the independent variable has an influence on the dependent variable as a whole or simultaneously. According to Salvatore (2005) This test is used to test the proportion level of the independent variable in describing the dependent variable. The coefficient of determination value is between zero (0) and one (1). Thus, a small R^2 value can indicate the limitations of the independent variable in providing an explanation of the dependent variable.

DATA ANALYSIS AND DISCUSSION

Data Analysis

Data objects in research include profitability measured by Return On Assets (ROA), market value measured by Price to Book Value (PBV), Capital measured with Capital Adequacy Ratio (CAR), Asset Quality is measured by Non-Performing Loans (NPL) against share prices in commercial banks that experience profits on the Indonesia Stock Exchange for the 2015-2019 period.

Outliers usually occur in research data that has extreme values compared to other data. If Expensive. Distance Maximum > Prob. & Number of variables [=CHIINV(0.001; 5) : searchable via Excel] = 20,515

Table 3. Outlier Test Results 1

	Minimum	Maximum	Mean	Std. Deviation	N
Mahal. Distance	0.624	**33.781**	4.941	5.145	85

Dependent Variable: Stock Price

Based on the results of outlier test 1, it can be shown that there are outliers in the research data. This is because the value is expensive. Maximum distance 33,781 is greater than 20,515 (33,781 > 20,515). Thus, the elimination of 3 cases (data units) is required to be eliminated or can be removed from the data. After eliminating several cases in the data, the results of the second outlier test below show an Expensive value. Distance Maximum 15,653 is smaller than 20,515. So that the data is free from outliers and is of good quality for further processing.

Table 4. Results of Outlier Test 2

	Minimum	Maximum	Mean	Std. Deviation	N
Mahal. Distance	0.617	**15.653**	4.939	3.795	82

Dependent Variable: Stock Price

The normality test in a study shows whether there is a normal distribution or not, so it can be said to be appropriate or good. The regression model can be said to be good and feasible if the research has a normal distribution. This test uses statistical analysis nonparametric Kolmogorov Smirnov (K-S) with a significance level of 0.05 (5%).

Table 5. Normality Test Results

	Profitability (X1)	Market Value (X2)	Capitalization (X3)	Asset Quality (X4)	Stock Price (Y)
N	82	82	82	82	82
Kolmogorov-Smirnov Z	0.599	1.241	0.836	1.371	2.312
Asymp. Sig. (2-tailed)	**0.865**	**0.092**	**0.487**	**0.146**	**0.257**

a. Test distribution is Normal.
b. Calculated from data.

From the normality test results above, it can be concluded that (X1) is 0.865, (X2) is 0.092, (X3) is 0.487, and (X4) is 0.146, indicating the Asymp value. Sig (significance) is greater than 0.05, so the research data can be said to be normally distributed. Thus, the data can be processed further.

The multicollinearity test is related to whether there is correlation in the regression. So the regression model can be said to be good if there is no correlation or multicollinearity in the research. In this study using VIF value analysis (Variance Inflation Factor). Where if a value research tolerance > 0.10 and VIF < 10, it can be explained that there are no symptoms of multicollinearity.

Table 6. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Profitability (X1)	0.661	1.513
	Market Value (X2)	0.899	1.113
	Capitalization (X3)	0.668	1.497
	Aser Quality (X4)	0.864	1.158

Dependent Variable: Share Price (Y)

Based on the test results above, each variable has a value tolerance > 0.10 and value of Variance Inflation Factor (VIF) < 10.0. Thus, the regression model in the research can be said to be good because there are no symptoms of multicollinearity.

The heteroscedasticity test relates to whether each variant of the residual from one observation to another observation is different or remains in a linear regression model. The regression model can be said to be very good if the research does not experience symptoms of heteroscedasticity as shown by each different variant.

Table 7. Heteroscedasticity Test Results

Heteroscedasticity Test Results			Unstandardized Residual
Spearman's Rho	Profitability (X1)	Correlation Coefficient	-0.061
		Say. (2-tailed)	**0.587**
		N	82
	Market value (X2)	Correlation Coefficient	0.016
		Say. (2-tailed)	**0.888**
		N	82
	Capital (X3)	Correlation Coefficient	0.120
		Say. (2-tailed)	**0.284**
		N	82
	Asset Quality (X4)	Correlation Coefficient	0.032
		Say. (2-tailed)	0.**776**
		N	82
	Unstandardized Residual	Correlation Coefficient	1.000
		Say. (2-tailed)	.
		N	82

Based on the analysis test above, it shows that the correlation between the independent variables and their respective residuals does NOT have a significant correlation with the residuals, where (the Sig value is greater than 0.05 or non-significant, which means that for all each research variable heteroscedasticity does not occur.

A regression model can be said to be good and appropriate if it avoids autocorrelation symptoms. So, the step to detect the presence of autocorrelation symptoms is to use a test Durbin-Watsin (DW-Test) to produce DW values. This test compares the values in the table with a significance value of 5%, the number of samples (n) and the number of variables. Mark Durbin-Watsin (DW-Test) if it lies between du and (4-du) then it can avoid autocorrelation. Value acquisition Durbin-Watsin (DW) in research can be known through:

Table 8. Values *Durbin-Watsin*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.647[a]	0.418	0.388	1715.65834	0.678

a. Predictors: (Constant), NPL (X4), PBV (X2), CAR (X3), ROA (X1)
b. Dependent Variable: Stock Price (Y)

Testing with a multiple linear regression model has the aim of showing the influence of each variable, namely using the equation.

Table 9. Multiple Linear Regression Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	T	Say.
		B	Std. Error	Beta		
1	(Constant)	713.149	962.084		.741	.461
	Profitability (X1)	2380.371	358.863	.709	6.633	.000
	Market Value (X2)	688.896	280.591	.225	2.455	.016
	Capitalization (X3)	-140.754	43.838	-.341	-3.211	.002
	Aser Quality (X4)	24.615	130.789	.018	.188	.851

Dependent Variable: Stock Price (Y)
Source: 2021 SPSS Data Processing Results

In Table 9 the equation is based on column B. Where is the constant value and multiple linear regression coefficient value regarding each independent variable.

Share Price = 713,149 + 2380,371 Profitability (X1) + 688,896 Market Value (X2) - 140,754 Capital (X3) + 24,615 Asset Quality (X4) + ei

a. Constanta (a) = 713.149
   The constant value in the table is 713,149, which indicates that all independent variables are zero or constant. So, it is concluded that the share price will increase by IDR. 713.149.
b. Profitability Regression Coefficient (X1)
   The coefficient value on Profitability is 2380,371 and has a positive sign, so it can be concluded that every increase that occurs in the profitability variable will cause an increase in share prices of IDR 2380,371 and vice versa. Based on the assumption that the profitability variable has a constant or zero value.
c. Market Value Regression Coefficient (X2)
   The coefficient value on Market Value is 688,896 and has a positive sign, so it can be concluded that every increase that occurs in the market value variable will cause an increase in share prices of IDR 688,896 and vice versa. Based on the assumption that the market value variable has a constant or zero value.
d. Capital Regression Coefficient (X3)
   The coefficient value for Capital is 140,754 and has a negative sign, so it can be concluded that every increase in the capital variable will cause a decrease in share prices of IDR - 140,754 and vice versa. Based on the assumption that the capital variable has a constant or zero value.
e. Asset Regression Ratio (X4)
   The coefficient value for Asset Quality is 24,615 and has a positive sign, so it can be concluded that every increase that occurs in the asset quality variable will cause an increase in the share price of IDR 24,615 and vice versa. Based on the assumption that the asset quality variable has a constant or zero value.

Partial testing (t test) to show the level of individual influence of each variable. This test can be done by comparing the significance value < 0.05 so that variable X influences variable Y, or vice versa. Apart from that, we also made a comparison between the value of the T-test and the T table. If the value of T-test > T-table, then variable X influences variable Y and vice versa.

Table 10. The T-test Results

	Model	Unstandardized Coefficients		Standardized Coefficients	T	Say.
		B	Std. Error	Beta		
1	(Constant)	713.149	962.084		0.741	0.461
	Profitability (X1)	2380.371	358.863	0.709	6.633	0.000
	Market Value (X2)	688.896	280.591	0.225	2.455	0.016
	Capitalization (X3)	-140.754	43.838	-0.341	-3.211	0.002
	Aser Quality (X4)	24.615	130.789	0.018	0.188	0.851

Dependent Variable: Stock Price (Y)

Based on the results of the t test calculation above, it can be concluded that:

a. Profitability (X1) on Share Prices
   The t test results show a significance value of 0.000 < 0.05. This can prove that there is an influence between Profitability on Share Prices. The Profitability T value is 6.633, while the T table value in this research is 1.991. Therefore, T-test is greater than T table or 6.663 > 1.991, so that based on the t test (partial) the Profitability variable has an influence on Stock Prices.
b. Market Value (X2) on Share Prices The results of the t test show a significance value of 0.016 < 0.05. This can prove that there is an influence between Market Value on Share Prices. The T-test value for Market Value is 2.455, while the T table value in this research is 1.991. Therefore, T-test is greater than T table or 2.455 > 1.991, so that based on the t test (partial) the Market Value variable has an influence on Stock Prices.
c. Capital (X3) to the Share Price
   The t test results show a significant value of 0.002 > 0.05. This can prove the influence of capital on share prices. The T-test Capital value is -3,211 while the T table value in this study was 1.991. Therefore T-test is smaller than T table or -3.211 < 1.991, so based on the t test (partial) the Capital variable has the opposite effect on share prices.
d. Asset Quality (X4) on Share Prices The results of the t test show a significance value of 0.851 > 0.05, this can prove that there is no influence between Asset Quality to Share Prices. The T value of asset quality is

calculated amounted to 0.188 while the T table value in this study was 1.991. Therefore T-test is smaller than T table or 0.188 < 1.991, so based on the t test (partial) the Asset Quality variable No has an influence on share prices.

The test is carried out simultaneously or F Test, which is to show whether the four independent variables have a simultaneous influence on the dependent variable or vice versa. Based on the F table test above, it shows that the significance value is 0.000 < 0.05. This proves that the regression model in the research is said to be significant or feasible and appropriate to use in drawing conclusions. This is because there is an influence of the four independent variables on the dependent variable. The positive T-test value is 13.849 while the T table value is 2.49. Therefore, T-test is greater than T table or 13.849 > 2.49, so based on the f test (simultaneous) it can be interpreted that the four independent variables in this study simultaneously have a large influence on the dependent variable.

Table 11. The F-test Results

Model	Sum of squares	df	Mean Square	F	Say.
Regression	1.631E8	4	4.077E7	13.849	0.000[a]
Residual	2.266E8	77	2943483.540		
Total	3.897E8	81			

Dependent Variable: Share Price (Y)

The Coefficient of Determination (R2) aims to show the magnitude of the percentage of the independent variable in explaining the dependent variable.

Table 12. Coefficient of Determination Test Results (R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.647[a]	0.418	0.388	1715.65834	0.678

a. Predictors: (Constant), NPL (X4), PBV (X2), CAR (X3), ROA (X1)
b. Dependent Variable: Share Price (Y)

Based on the test results in the table above, it can be concluded that the coefficient of determination or R square value is 0.418 or 41.8%, which means that the independent variable is able to explain the dependent variable by 41.8%. Meanwhile, the remaining 58.2% (100% - 41.8%) is explained by other variables that the researchers did not include in this research, apart from the variables used.

Discussion

Based on the results of data processing, it can be explained that profitability as proxied by the Return On Assets (ROA) ratio has a significant positive influence on share prices. Thus, the hypothesis explained previously has the same conclusion as the research results so that H_1 accepted.

The results of this ratio research are said to be in accordance with the researchers' theories and hypotheses, and the results of this statement are the same as previous research conducted Medyawicesar et al., (2018), Lestari dan Hermanto (2015), Indiani dan Dewi (2016), dan Sambul (2016) that Return On Assets (ROA) where the results of their research stated that there was a significant positive influence on stock prices. Return On Assets (ROA) is a tool for measuring profitability which is related to a bank's ability to manage profits. So, when profits increase from asset management, it will result in greater profits being distributed to stakeholders, including investors who invest their capital. This is what makes it an attraction for potential investors to buy bank shares. Thus, if investors' interest in a share increases, the share price in a bank will increase.

Based on the results of the data processing above, it can be explained that market value can be proxied using the Price to Book Value (PBV) ratio. has a significant positive influence on share prices. Thus, the hypothesis explained previously has the same conclusion as the research results so that H_2 accepted.

The results of this ratio research are said to be in accordance with the researchers' theories and hypotheses and the results of this statement are the same as previous research conducted Untari et al. (2020), Rahmani (2019) dan Septian et al., (2021), that the Price to Book Value there is a significant positive influence on stock prices. Price to Book Value is a means of measuring the market value of a bank by comparing its book value with the share price formed on the market. So, the size of this ratio can influence the determination of whether a bank's shares are overloaded (expensive) or underloaded (cheap). If there is an overload (expensive), it can indicate high market recognition of a bank, which is related to the bank's prospects so that investors will be willing to pay a high price for the value of the bank. However, if bank shares are underloaded (cheap), it will cause low interest from investors to buy, because of the small market recognition of the bank which could be due to the bank's lack of capability in the future. So, share prices also decline. Unless the bank is carrying out large-scale promotions by offering underload (cheap) share price positions, it still has good prospects in the future. Then it will still be able to attract investors to buy shares.

Based on the results of the data processing above, it can be explained that capital can be proxied by a ratio Capital Adequacy Ratio (CAR) has a significant negative influence on share prices. Thus, the hypothesis explained previously does not have the same conclusion as the research results, so H_3 rejected. The results of this ratio research are said to be a discrepancy between the results and the researcher's theory and hypothesis, however there are similarities with the results of previous research conducted Indiani and Dewi (2016), Sum (2018) which states that this capital ratio has a significant negative influence on share prices.

Capital requirements in a bank can be reflected in the size of the Capital Adequacy Ratio figure, where this ratio must be considered and there is a minimum limit based on Bank Indonesia regulations of 8%. This is because a bank can be said to be healthy and growing if the bank's capital adequacy is not below the minimum limit, as a means of anticipating losses in assets. However, if a bank's capital ratio is too high, it can also lead to the opposite direction which will affect investor interest. This will result in a lot of bank funds being idle. Due to the lack of utilization of funds in the form of credit, as a source of bank income. Thus, it will give rise to a bad perception from investors regarding banks that are afraid to take risks if they distribute more credit. This information can cause dissatisfaction for shareholders or potential investors, due to loss of potential credit income. So, this can cause investor interest in these shares to decrease, so that bank share prices will fall. However, if the bank can reduce the Capital Adequacy Ratio which was previously too high, it will give a good signal to investors regarding the shares being offered, in this way investor interest can be formed and the bank's share price will increase again.

Based on the results of the data processing above, it can be explained that asset quality can be proxied by the Non-Performing Loan (NPL) ratio which has a positive and insignificant influence on share prices. Thus, the hypothesis explained previously does not have the same conclusion as the research results, so H_4 rejected. The results of this ratio research are said to be a discrepancy between the results and the researcher's theory and hypothesis. However, there are similarities with the results of previous research conducted by Sambul (2016), Satria dan Hatta (2015) whose results both state that asset quality has a positive and insignificant influence on stock prices.

Non-Performing Loans reflect the magnitude of the risks arising from the credit that has been disbursed. So this ratio measures the quality of the bank's assets and the risk of its assets. If the quality of the bank's assets is higher, the bank's share price will increase. However, on the contrary, if the quality of the assets owned by the bank decreases, its share price will decrease. This relationship is caused by the size of Non-Performing Loans owned by banks which are still within reasonable limits, as determined by Bank Indonesia, namely below 5 percent.

Apart from that, asset quality has no influence on share prices. Because the banks studied look at the profits earned by the bank, as a guarantee of good prospects in the future, one of which can minimize the risks posed by its credit funds. So that investors' goals will still be achieved regarding making profits. Thus, the size Non-Performing Loan owned by the bank is not a reference for investors and they will still feel safe in buying bank shares. Therefore, this ratio has no influence on share prices.

CONCLUSION

Based on the results of the discussion above, there are several conclusions. Profitability makes a big contribution or plays an important and direct role in share prices in the banking sub-sector on the Indonesian Stock Exchange. Market value makes a big contribution or plays an important and direct role in share prices

in the banking sub-sector on the Indonesian Stock Exchange. Capital makes a big contribution or plays an important role in the opposite direction to share prices in the banking sub-sector on the Indonesian Stock Exchange. Asset quality does not make a big contribution or does not play an important role, but it is in the same direction as share prices in the banking sub-sector on the Indonesian Stock Exchange. Profitability, market value, capital and asset quality can explain or mean that the four independent variables together contribute or play an important role in share prices in the banking sub-sector on the Indonesia Stock Exchange.

As a result of the discussion and conclusions that have been described, the researcher provides several suggestions that can be utilized in the future. Banking companies should continue to pay attention to the percentage increase in their share prices, this is to avoid a decline in share prices in the following year, if the percentage increase continues to decrease after 2019, the last year in this research. Companies should pay more attention to how profits grow each year, so that they don't just focus on making profits, but also the increase in the growth percentage. Because the increase in share prices will be optimal if the growth in profits can increase from year to year. For advanced researchers conducting research with the same problem, it is recommended that if researching banking companies use the variables consisting of capital, asset, earning management, liquidity, sensitivity to market risk or use the method including risk profile, good corporate governance, earning, capital. Apart from that, you can use PER (Price to Earnings Ratio), ROA (Return On Equity) and others.

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