

ABSTRACT

The banking industry is one of the industry whose shares are in great demand by the people who will invest in the capital market. Not only in demand by local investors even share of the banking industry is also very interested foreign investors. The purpose of this study was to determine the fair value of banking stocks the period 2009 to 2015 and determine whether the stock is considered overvalued, undervalued, or fair.

Share price valuation method used is the Dividend Discount Model (DDM) multiple or supernormal growth model that includes calculations Dividend Per Share (DPS), Expected Growth (g) and Required Rate of Return (k). With this method it can be seen the fair value of the State Savings Bank shares for 2015 which can then be compared with the market value so it can be known whether the stock undervalued, overvalued, or fair.

This research was conducted by means of descriptive quantitative method which is descriptive research study conducted to determine the value of an independent variable, either a variable or more without making comparisons, or connect with other variables. The object of this research is the Bank Tabungan Negara of the period 2015 Financial Statements of each sample from 2009 to 2014.

Based on the results of this study note that the fair value of stock BBTN Rp174,7 From the results of the fair value is then compared to the market price per share in January 2014 concluded that the Bank Tabungan Negara share rated overvalued or too expensive.

Key Words: Stock Valuation, Dividend Discount Model, overvalued, undervalued, fair.