

ABSTRACT

Investment is the placement of a number of funds at this time in the hope of gaining profits in the future. Investment can be done through stocks, one of the investment instruments with a relatively high level of risk. Stock prices can be measured using a proxy in the form of return. One of the sectors that most attracts investors is banking. Banking is one sector that is sensitive to economic changes in a country. Banking listed on the Indonesia Stock Exchange in the 2014-2017 period has a tendency to decrease stock prices. Changes in stock prices are thought to be influenced by many factors, including financial performance.

This study aims to determine the effect simultaneously at a significance level of 5% or 0.05 between stock prices as the dependent variable with return on equity (ROE), non-performing loans (NPL) and loan to deposit ratio (LDR) as independent variables. And the effect is partially at the significance level of 5% or 0.05 on stock prices as the dependent variable with return on equity (ROE), non-performing loans (NPL) and loan to deposit ratio (LDR) as independent variables.

The research method used in this study is quantitative research that aims to be descriptive verification and has a type of causality. The unit of analysis as the population used in this study is banking companies listed on the Indonesia Stock Exchange (IDX) during the period 2014-2017. The sample was determined using a purposive sampling method so that a sample of 12 companies with a period of 4 years was obtained, the total sample used in this study was 48 samples.

From the results of descriptive statistical analysis and panel data regression, the results show that ROE, NPL and LDR have an effect on the stock price simultaneously. Partially ROE and NPL have no effect on stock prices and LDR affects stock prices.

Based on the results of this study, banks are advised to pay attention to the LDR ratio so that banking stock prices increase. This is so that investors get a high return.

*Keywords : Stock Price, Return on Equity, Non Performing
Loan, Loan to Debt ratio*