

ABSTRACT

Bank soundness is one of the important things that must be known by bank and their stakeholders. The better of bank soundness level can drive investor to invest their funds to the company. Stock prices fluctuation can be caused by Investor's demand toward the company's stock. Bank stock prices tend to have an upward trend because it has a special attraction for the investors. However, there was a time when bank stock prices have a significant decline. Therefore, this research aims to analyze the impact of bank soundness on stock prices both simultaneously and partially. This research conducted on several indicators which represented by each ratio. The first one is risk profile represented by Non Performing Loan (NPL), the second indicator is Good Corporate Governance (GCG), the third is earning represented by Return on Asset (ROA), and the last is capital represented by Capital Adequacy Ratio (CAR). Based on the method, this research classified into quantitative research. Meanwhile, based on the purpose it is classified into descriptive verification and causality research. This research used combination of time series and cross section data with secondary sources. The population was the whole conventional banking companies listed on Indonesia Stock Exchange during the period of 2014-2018, by using purposive sampling obtained a sample of 32 banking companies. The analysis technique used in this reseach was panel data regression. The result of this research shows that simultaneously NPL, ROA, CAR has no significant effect on stock prices. However, partially there was a significant effect between GCG and stock prices. While the others variable has no significant effect on stock prices.

Kata Kunci: Non Performing Loan (NPL), Good Corporate Governance (GCG), Return on Asset (ROA), Capital Adequacy Ratio (CAR), Stock price