

## ABSTRACT

*This study is motivated by the importance of analyzing bank fundamental indicators in determining stock returns in banking companies listed on the Indonesia Stock Exchange during the period 2019-2023. The study aims to analyze the effect of fundamental variables such as Return on Assets (ROA), Net Profit Margin (NPM), Loan to Deposit Ratio (LDR), Net Interest Margin (NIM), Biaya Operasional terhadap Pendapatan Operasional (BOPO), Capital Adequacy Ratio (CAR), Debt to Equity Ratio (DER), Price to Earnings Ratio (PER), and Earnings per Share (EPS) on stock returns.*

*The method used is multiple linear regression with both simultaneous and partial testing to observe the effect of each variable on stock returns. The data used is secondary data obtained from the annual financial statements of banking companies listed on the Indonesia Stock Exchange.*

*The research results show that partially, ROA, NPM, EPS, PER, CAR, and NIM have a significant positive effect on stock returns. This indicates that higher profitability, good operational efficiency, and adequate capital can enhance investor interest in bank stocks. In contrast, DER and BOPO have a significant negative effect on stock returns, reflecting that banks with high debt and operational costs are less attractive to investors.*

*Simultaneously, the results show that all the fundamental variables analyzed have a significant impact on stock returns with a contribution of 93.1%. This indicates that analyzing the overall fundamental indicators provides a more accurate picture of bank stock performance. Factors such as profitability, operational efficiency, and solvency play a crucial role in determining stock prices.*

*This study contributes to the development of theory regarding the impact of fundamental indicators on stock returns and provides recommendations to improve profitability and operational efficiency in banks. Keywords: Stock Returns, Fundamental Indicators, State-Owned Enterprises, Banking, Indonesia.*

**Keywords:** *Fundamental Indicators, Stock Returns, Return on Assets, Net Profit Margin, Debt to Equity Ratio, Earnings per Share, Price to Earnings Ratio, Capital Adequacy Ratio, Net Interest Margin, Operational Expense to Operating Income Ratio, Loan to Deposit Ratio*