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Analysis of the effect of financial ratios on banking stock prices

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ABSTRACT

This study used bank samples, namely Bank Mandiri, Bank Rakyat Indonesia, Bank Negara Indonesia, and Bank Central Asia. By using purposive sampling method. The analytical method used is the independent sample t test using eviews version 8.0. The results of the analysis show that during the 2008-2012 observation period, CAR has an effect on stock prices because the probability value is 0.0066 < the significance level is 0.05. NPL has no effect on stock prices because the probability value is 0.8733 > the significance level is 0.05. ROE affects stock prices because the probability value is 0.0104. < from the significance level of 0.05. GWM has no effect on stock prices because the probability value is 0.3984> from the significance level of 0.05. LDR has no effect on stock prices because the probability value is 0.0988 > the significance level is 0.05. EPS affects stock prices because the probability value is 0.0000 < the significance level is 0.05. PER also affects stock prices because the probability value is 0.0000 < the significance level is 0.05. The f test shows that the CAR, NPL, ROE, GWM, LDR, PER, and EPS variables jointly affect the stock prices of banking companies in the BUKU 4 category found in the LQ-45 Index for the 2008-2012 period. Proven value of probability (F-statistic) is 0.000000. Using an alpha of 0.05 shows that the probability (F-statistic) is smaller than 0.05 (5 percent).

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1. INTRODUCTION

The impact of the monetary crisis in July 1997 is still felt, which became a multi-dimensional crisis. At that time there was a rush, namely the simultaneous withdrawal of funds and public deposits from national banks which resulted in national banks experiencing an extraordinary liquidity mismatch. In the end the government closed the operational activities of 16 banks simultaneously on November 1 1997. Then in June 1998 the government froze the business activities of 38 banks, this government policy was known as Business Activity Frozen Bank (BBKU).

One of the models used to measure company performance, especially banking, is through financial ratios using the CAMEL method. Khasanah (2010) argues that the CAMEL method is used to assess the soundness of a bank. Means, to find out how the performance of a bank, because if the bank is in the healthy category it can be said that the performance of the bank is good. The bank's health

ratio, namely CAMEL, is divided into 5 elements, namely Capital, Assets, Management, Earnings, and Liquidity. This update adds one more component to the CAMEL ratio, namely sensitivity to market risk. So that the soundness assessment of a bank changes from CAMEL to CAMELS. On 25 October 2011, Bank Indonesia issued Bank Indonesia Circular Letter No: 13/24/DPNP concerning valuation. level of soundness of public banks.

The health condition and bank performance can be analyzed through the bank's financial reports which consist of balance sheets, profit/loss reports, administrative account reports, and reports on changes in equity. Through analysis of financial ratios can help company and bank management to identify changes in banking performance and the causes of changes in these ratios. Having good performance encourages the public and investors to invest their funds in the bank's shares. This shows the existence of public trust in the bank.

As revealed by Abdullah and Suryanto (2004), changes in stock prices theoretically start from the activity of investors estimating income and risk to determine the value of shares using the company's historical data. This will be compared with previous and future stock prices and will then be used as a basis for making decisions to invest in shares.

The Indonesia Stock Exchange (IDX) is a place or place for owners of shares and other valuable securities to trade or buy and sell any shares or securities they own and wish to sell. The IDX also has an index as a reference for trading in the capital market, namely (1) the Composite Stock Price Index (IHSG), which contains all shares traded on the IDX; (2) The LQ-45 Index managed by Bisnis Indonesia Daily, which includes the stock price index of 45 companies whose shares are most frequently traded on the IDX; (3) Kompas100 Index which is managed by Kompas Daily, to contain the stock price index of 100 companies that have high liquidity according to Kompas Daily.

The assessment through capital (capital or equity) is assessed from the ratio of the bank's capital adequacy to all risky assets which is realized through the capital adequacy ratio (CAR). A healthy bank must have a CAR of at least 8%, and it will be adjusted to the conditions and developments in the banking sector (Ericson & Loen, 2007:106-107; Riyadi, 2006:171). While the assessment of asset quality includes earning assets and non-earning assets. Asset quality is an assessment of the total assets or assets owned by a banking company (Kasmir, 2011). Earning (profitability) of the bank, shows the bank's ability to generate profits which is reflected in the ratio of return on assets (ROA) and return on equity (ROE) (Ericson & Loen, 2007:109). Bank earning (profitability),

The greater the ROA, the better the financial performance, which will affect the increase in stock prices. The other ratio used to measure the quality of earnings is return on equity (ROE). According to Riyadi (2006: 155) return on equity (ROE) is the ratio between net income and capital (core capital) of the company. High ROE means that shareholders will also receive high dividends and an increase in ROE will cause an increase in shares. The element of liquidity (liquidity), shows the bank's ability to maintain liquidity, which is reflected in the amount of cash ratio, minimum reserve requirement (GWM), loan to deposits ratio (LDR), loan to assets ratio (LAR), and call money net liability ratio (Ericson & Loen, 2007:110). Banks must always maintain their liquidity through a minimum GWM of at least 8%. The earning per share ratio (EPS) is used to measure the level of profitability of a company. EPS is one of the important ratios to determine the fair price of shares later.

2. RESEARCH METHOD

This research is an associative research. Associative research is research that asks the relationship between two or more variables. The form of the relationship referred to in this associative research is a causal relationship, which means a causal relationship and there are two variables, namely the independent variable (the influencing variable) and the dependent variable (the affected variable).

In this study the independent variables are Capital Adequacy Ratio (CAR), Non Performing Loans (NPL), Return On Equity (ROE), Statutory Reserves (GWM), Loan to Deposit Ratio (LDR), Earnings Per Share (EPS). , and Price Earning Ratio (PER). The dependent variable is the stock price of the banking company. The population in this study is 6 (six) banks namely PT. Bank Mandiri (Persero),

PT. Bank Central Asia, PT. State Bank of Indonesia, PT. Bank Rakyat Indonesia (Persero), PT. Bank Danamon Indonesia, PT. West Java and Banten Regional Development Banks. Based on the above sample considerations, 4 banking companies were obtained as samples, namely: PT. Bank Mandiri (Persero), PT. Bank Central Asia, PT. State Bank of Indonesia, PT. Bank Rakyat Indonesia (Persero)

3. RESULTS AND DISCUSSIONS

Panel Data Regression

Ordinary Least Square

Table 1 Ordinary Least Square

Variables	coefficient	std. Error	t-Statistics	Prob.
C	-1992,829	1151.265	-1.730991	0.0877
CAR?	-84.16553	44.73996	-1.881216	0.0640
NPLs?	-390.4018	209.9014	-1.859929	0.0670
ROE?	15.11371	14.32592	1.054991	0.2950
GWM?	-19.16027	37.57783	-0.509882	0.6117
LDR?	-3.506886	11.04516	-0.317504	0.7518
EPS?	12.14431	0.801259	15.15654	0.0000
PER?	289.5092	22.11838	13.08907	0.0000
R-squared	0.939477	Mean dependent var		5178375
Adjusted R-squared	0.933593	SD dependent var		2348,993
SE of regression	605.3252	Akaike info criterion		15.74405
Sum squared residue	26382136	Schwarz criterion		15.98225
Likelihood logs	-621.7619	Hannan-Quinn criter.		15.83955
F-statistics	159.6619	Durbin-Watson stat		1.098781
Prob(F-statistic)	0.000000			

Source: Results of processing with Eviews 8.0

By using the ordinary least squares approach, it can be seen that the adjusted R2 is 93.36 percent. It can be seen that the EPS and PER variables are statistically significant when the probability value is compared to α (5%) with a probability value of 0.0000. While the other five variables, namely CAR, NPL, ROE, GWM, and LDR are not statistically significant with their respective probability values of 0.0640; 0.0670; 0.2950; 0.6117; 0.7518. The five probabilities of these variables are greater than alpha 0.05 (5%).

Fixed Effect Model

Table 2 Fixed Effect Model

Variables	coefficient	std. Error	t-Statistics	Prob.
C	-4838,974	1495059	-3.236644	0.0019
CAR?	-80.24956	44.13047	-1.818461	0.0733
NPLs?	-10.43366	253.6989	-0.041126	0.9673
ROE?	51.52528	21.98494	2.343662	0.0220
GWM?	0.485634	38.64090	0.012568	0.9900
LDR?	26.74683	16.35528	1.635364	0.1065
EPS?	11.35645	0.913265	12.43500	0.0000
PER?	259.0986	24.93748	10.38993	0.0000
Fixed Effects (Cross)				
_BMRI—C	199.3697			
_BRI—C	-811.5642			
_BCA—C	627.5077			
_BNI—C	-15.31318			

Effects Specification
Cross-section fixed (dummy variables

R-squared	0.945926	Mean dependent var	5178375
Adjusted R-squared	0.938089	SD dependent var	2348,993
SE of regression	584.4734	Akaike info criterion	15.70638
Sum squared residue	23571033	Schwarz criterion	16.03391
Likelihood logs	-617.2552	Hannan-Quinn criter.	15.83770
F-statistics	120.7031	Durbin-Watson stat	1.031953
Prob(F-statistic)	0.000000		

Source: Results of processing with Eviews 8.0

From table 2 it can be seen that using the fixed effects model the value of adjusted R2 is 93.80 percent greater than using the OLS model. The ROE, EPS, and PER variables are significant with the significance level of each variable, namely: ROE of 0.0220, EPS of 0.0000, and PER of 0.0000, which is smaller than the alpha level of 0.05. Meanwhile CAR, NPL, GWM, and LDR are not significant because the probability value is greater than alpha 0.05 with a probability level of 0.0733 each; 0.9673; 0.9900; 0.1065.

Chou-Test test

Table 3 Chow-Test Results

Effect Test	Statistics	df	Prob.
Cross-section F	2.743001	(3.69)	0.0497
Chi-square cross-sections	9.013486	3	0.0291

Source: Results of processing with Eviews 8.0

Based on the results of the chow-test shown in table 4.36 above, it can be seen that the value of the probability F and chi-square is less than α = 0.05 (5%), namely 0.0291, so Ho is rejected and Ha is accepted, which means the model estimation approach follows the fixed effects model. In other words, the fixed effect model is better used in estimating panel data compared to the ordinary least square model.

Regression Model Assumption Test

The fixed-effect model used in this study is a model that has removed heteroscedasticity by constantizing the residuals using white-heteroscadasticity, because the model usedis a fixed effect model, so the problem in this study is not required in a fixed effects model so that the autocorrelation test can be ignored.

Panel Data Regression Analysis

Y = - 5288.383 + cfe – 72.95711x1 + 45.65403x2 + 51.56150x3 + 21.61515x4 + 28.67903x5 + 10.70219x6 + 276.1261x7

Information:

Y = Stock Price X4 = GWM
X1 = CAR X5 = LDR
X2 = NPLs X6 = EPS
X3 = ROE X7 = PER

Share Price_BMRI = – 5288.838 + 253.5985 – 72.95711 + 45.65403 + 51.56150 + 21.61515 + 28.67903 + 10.70219 + 276.1261

BRI_Share Price = – 5288.838 – 665.2776 – 72.95711 + 45.65403 + 51.56150 + 21.61515 + 28.67903 + 10.70219 + 276.1261

BCA_SharePrice = – 5288.838 + 566.8910 – 72.95711 + 45.65403 + 51.56150 + 21.61515 + 28.67903 + 10.70219 + 276.1261

BNI_Share Price = – 5288.838 – 155.2119 – 72.95711 + 45.65403 + 51.56150 + 21.61515 + 28.67903 + 10.70219 + 276.1261

From the model equation above, it can be concluded several things, including:

The fixed effect model shows a positive relationship between the CAR, ROE, EPS, and PER variables on banking stock prices (a case study on a BUKU 4 category bank listed in the LQ-45 index for the period 2008-2012). The company that has the largest constant value from 2008 to 2012 is Bank Central Asia with a coefficient value of 566.8910, greater than the coefficient value of other bank companies. The company that has the lowest constant value in 2008 to 2012 is Bank Rakyat Indonesia. The coefficient value of Bank Rakyat Indonesia is -665.2776, lower than that of other banking companies. Based on equation 4.1 if the value of X1 (CAR) is 1 unit and the other independent variables namely X2 (NPL), X3 (ROE), X4 (GWM), X5 (LDR), X6 (EPS), and X7 (PER) are zero, then the value of Y (share price) decreased by 72.95711 units.Based on equation 4.1 if the value of X2 (NPL) has increased by 1 unit and the other independent variables are X1 (CAR), X3 (ROE), X4 (GWM), X5 (LDR), X6 (EPS), and X7 (PER) is zero, it will increase the value of Y (stock price) by 45.65403 units. Based on equation 4.1 if the value of X3 (ROE) has increased by 1 unit and the other independent variables namely X1 (CAR), X2 (NPL), X4 (GWM), X5 (LDR), X6 (EPS), and X7 (PER) are zero , it will increase the value of Y (stock price) by 51.56150 units. Based on equation 4.1 if the value of X4 (GWM), has increased by 1 unit and the other independent variables, namely X1 (CAR), X2 (NPL), X3 (ROE), X5 (LDR), X6 (EPS), and X7 (PER) are zero, will increase the value of Y (stock price) by 21.61515 units. Based on equation 4.1 if the value of X5 (LDR) has increased by 1 unit and the other independent variables namely X1 (CAR), X2 (NPL), X3 (ROE), X4 (GWM), X6 (EPS), and X7 (PER) are zero , it will increase the value of Y (stock price) by 28.67903 units. Based on equation 4.1 if the value of X6 (EPS) has increased by 1 unit and the other independent variables namely X1 (CAR), X2 (NPL), X3 (ROE), X4 (GWM), X5 (LDR), and X7 (PER) are zero , it will increase the value of Y (stock price) by 10.70219 units. Based on equation 4.1 if the value of X7 (PER) has increased by 1 unit and the other independent variables namely X1 (CAR), X2 (NPL), X3 (ROE), X4 (GWM), X5 (LDR), and X6 (EPS) are zero , then the value of Y (stock price) will increase by 276.1261 units.

t test (Partial Significance Test)

Table 4 T test results

Variables	Coefficient	std. Error	t-Statistics	Prob.
C	-5288,838	1101.153	-4.802999	0.0000
CAR?	-72.95711	26.06379	-2.799175	0.0066
NPLs?	45.65403	285.3210	0.160009	0.8733
ROE?	51.56150	19.58182	2.633132	0.0104
GWM?	21.61515	25.43543	0.849805	0.3984
LDR?	28.67903	17.14153	1.673073	0.0988
EPS?	10.70219	1.109922	9.642287	0.0000
PER?	276.1261	20.89076	13.21762	0.0000

Source: Results of processing with Eviews 8.0

a. Results of Hypothesis T Test on Capital Adequacy Ratio (CAR)

Based on the statistical test results, the t-statistic value is -2.799175 with a probability value of 0.0066 which is less than the significance level of 0.05, then Ho1 is rejected and Ha1 is accepted. This means that the Capital Adequacy Ratio (CAR) has a significant effect on the stock prices of banking companies in the BUKU 4 category found in the LQ-45 Index for the 2008-2012 period.

b. Results of Hypothesis T Test on Non Performing Loans (NPL)

Based on the results of statistical testing, the t-statistic value was 45.65403 with a probability value of 0.8733 greater than the significance level of 0.05, then Ho2 was accepted and Ha2 was rejected. This means that Non-Performing Loans (NPL) have no significant effect on the stock prices of banking companies in the BUKU 4 category found in the LQ-45 Index for the 2008-2012 period.

c. Results of Hypothesis T Test on Return on Equity (ROE)

Based on the results of statistical testing, the t-statistic value was 51.56150 with a probability value of 0.0104. smaller than the significance level of 0.05, then H03 is rejected and Ha3 is accepted. This means that Return on Equity (ROE) has a significant effect on the stock prices of banking companies in the BUKU 4 category found in the LQ-45 Index for the 2008-2012 period.

d. Results of Hypothesis T Test on Statutory Reserves (GWM)

Based on the statistical test results, the t-statistic value was 21.61515 with a probability value of 0.3984 which was greater than the significance level of 0.05, then H04 was accepted and Ha4 was rejected. This means that the Minimum Statutory Reserves (GWM) have no significant effect on the stock prices of banking companies in the BUKU 4 category found in the LQ-45 Index for the 2008-2012 period.

e. Results of Hypothesis T Test on Loan to Deposit Ratio (LDR)

Based on the results of statistical testing, the t-statistic value was 28.67903 with a probability value of 0.0988 greater than the significance level of 0.05, then H05 was accepted and Ha5 was rejected. This means that the Loan to Deposit Ratio (LDR) has no significant effect on the stock prices of banking companies in the BUKU 4 category found in the LQ-45 Index for the 2008-2012 period.

f. Results of Hypothesis T Test on Earning per Share (EPS)

Based on the results of statistical testing, the t-statistic value was 10.70219 with a probability value of 0.0000 which is less than the significance level of 0.05, then H06 is rejected and Ha6 is accepted. This means that Earning per Share (EPS) has a significant effect on the stock prices of banking companies in the BUKU 4 category found in the LQ-45 Index for the 2008-2012 period.

g. Results of Hypothesis T Test on Price Earning Ratio (PER)

Based on the results of statistical testing, the t-statistic value is 276.1261 with a probability value of 0.0000 which is less than the significance level of 0.05, then H07 is rejected and Ha7 is accepted. This means that the Price Earning Ratio (PER) has a significant effect on the stock prices of banking companies in the BUKU 4 category found in the LQ-45 Index for the 2008-2012 period.

F Test (Simultaneously)

Table 5. F test results

R-squared	0.960297	Mean dependent var	6042549
Adjusted R-squared	0.954543	SD dependent var	3459,735
SE of regression	565.7006	Sum squared residue	22081185
F-statistics	166.8893	Durbin-Watson stat	1.048693
Prob(F-statistic)	0.000000		

Source: Processing results with Eviews 8.0

From the results of the F test in table 4.39, it is known that the value of the probability (F-statistic) is 0.000000. Using an alpha of 0.05 shows that the probability (F-statistic) is less than 0.05 (5 percent), then H08 is rejected and Ha8 is accepted. This means that the variables CAR, NPL, ROE, GWM, LDR, EPS, and PER together have a significant effect on banking stock prices (a case study on a BUKU 4 category bank listed on the LQ-45 index for the 2008-2012 period).

Determination Coefficient Test (R2)

Table 6. Multiple Determination Coefficient Test Results

R-squared	0.960297	Mean dependent var	6042549
Adjusted R-squared	0.954543	SD dependent var	3459,735
SE of regression	565.7006	Sum squared residue	22081185
F-statistics	166.8893	Durbin-Watson stat	1.048693

Prob(F-statistic)	0.000000

Source: Processing results with Eviews 8.0

Based on the results of data processing, the value of adjusted R2 is 0.954543 or 95.45 percent. This can be interpreted that the independent variables in this study, namely CAR, NPL, ROE, GWM, LDR, EPS, and PER have a joint effect on stock prices of 95.45 percent, the remaining 4.55 percent is influenced by variables -other variables outside the research model.

Discussion

The results of the regression analysis show that CAR, NPL, ROE, GWM, LDR, EPS, and PER simultaneously have a significant effect on banking stock prices (a case study on a BUKU 4 category bank listed in the LQ-45 index for the period 2008-2012). This is shown by the coefficient of determination (R2) regression analysis. The coefficient of determination (R2) can be used to measure the proportion or percentage of total variation in the dependent variable (Y) that can be explained by the independent variables (X) or is a measure by expressing the contribution (in percent) in explaining the relationship of the independent variable to the dependent variable . The value of the correlation coefficient shows how big the relationship is.

From the results of statistical calculations, the coefficient of determination (Adjusted R2) is 0.954543, which means that the CAR, NPL, ROE, GWM, LDR, EPS, and PER variables affect banking stock prices (a case study of BUKU 4 category banks listed on the Index LQ-45 for the period 2008-2012) was 95.45 percent while the remaining 4.55 percent was influenced by other variables not included in this study.

Partially the results of the t test are used to determine the effect of Capital Adequacy Ratio (CAR) on banking stock prices (a case study on a BUKU 4 category bank listed on the LQ-45 Index for the period 2008-2012) where a t-statistic value of -2.799175 is obtained with a probability value of 0.0066 which is less than the significance level of 0.05, then Ho1 is rejected and Ha1 is accepted. This means that the Capital Adequacy Ratio (CAR) has a significant effect on the stock prices of banking companies in the BUKU 4 category found in the LQ-45 Index for the 2008-2012 period.

The results of the t test are also used to determine the effect of Non Performing Loans (NPL) on banking stock prices (a case study on a BUKU 4 category bank listed on the LQ-45 Index for the period 2008-2012) where a t-statistic value of 45.65403 is obtained with a probability value of 0.8733 is greater than the significance level of 0.05, then Ho2 is accepted and Ha2 is rejected. This means that Non-Performing Loans (NPL) have no significant effect on the stock prices of banking companies in the BUKU 4 category found in the LQ-45 Index for the 2008-2012 period.

The results of the t-test to determine the effect of Return on Equity (ROE) on banking stock prices (a case study on a BUKU 4 category bank listed in the LQ-45 Index for the period 2008-2012) where a t-statistic value of 51.56150 is obtained with a probability value of 0.0104. smaller than the significance level of 0.05, then Ho3 is rejected and Ha3 is accepted. This means that Return on Equity (ROE) has a significant effect on the stock prices of banking companies in the BUKU 4 category found in the LQ-45 Index for the 2008-2012 period.

The results of the t-test to determine the effect of the Minimum Statutory Reserves (GWM) on banking stock prices (a case study on a BUKU 4 category bank listed on the LQ-45 Index for the period 2008-2012) obtained a t-statistic value of 21.61515 with a probability value of 0.3984 is greater than the significance level of 0.05, then Ho4 is accepted and Ha4 is rejected. This means that the Minimum Statutory Reserves (GWM) have no significant effect on the stock prices of banking companies in the BUKU 4 category found in the LQ-45 Index for the 2008-2012 period.

The results of the t-test to determine the effect of the Loan to Deposit Ratio (LDR) on banking stock prices (a case study on a BUKU 4 category bank listed on the LQ-45 Index for the period 2008-2012) obtained a t-statistic value of 28.67903 with a value probability of 0.0988 is greater than the significance level of 0.05, then Ho5 is accepted and Ha5 is rejected. This means that the Loan to Deposit Ratio (LDR) has no significant effect on the stock prices of banking companies in the BUKU 4 category

found in the LQ-45 Index for the 2008-2012 period. The results of the t-test to determine the effect of Eaning Per Share (EPS) on banking stock prices (a case study on a BUKU 4 category bank listed on the LQ-45 Index for the period 2008-2012) where a t-statistic value of 10.70219 is obtained with a probability value of 0.0000 is smaller than the significance level of 0.05, then H06 is rejected and Ha6 is accepted. This means that Earning per Share (EPS) has a significant effect on the stock prices of banking companies in the BUKU 4 category found in the LQ-45 Index for the 2008-2012 period.

The results of the t-test to determine the effect of the Price Earning Ratio (PER) on banking stock prices (a case study on a BUKU 4 category bank listed on the LQ-45 Index for the period 2008-2012) where a t-statistic value of 276.1261 is obtained with a probability value of 0.0000 is smaller than the significance level of 0.05, then H07 is rejected and Ha7 is accepted. This means that the Price Earning Ratio (PER) has a significant effect on the stock prices of banking companies in the BUKU 4 category found in the LQ-45 Index for the 2008-2012 period.

The results of simultaneous regression analysis using the F test show that the calculated f-value of the CAR, NPL, ROE, GWM, LDR, EPS, and PER variables is 0.000 < α = 0.05 meaning H08 is rejected Ha8 is accepted. In other words, the CAR, NPL, ROE, GWM, LDR, EPS, and PER variables together have a significant effect on banking stock prices (a case study on a BUKU 4 category bank listed on the LQ-45 index for the 2008-2012 period).

4. CONCLUSION

From the results of testing the multiple linear regression equation, a constant of -5288.838 can be produced. As for X1 (CAR), X3 (ROE), X6 (EPS), and X7 (PER) have an effect on banking stock prices (case studies on BUKU 4 category banks listed in the LQ-45 index for the period 2008-2012). Whereas X2 (NPL), X4 (GWM), X5 (LDR) have no effect on banking stock prices (a case study on a BUKU 4 category bank listed on the LQ-45 index for the 2008-2012 period). The Capital Adequacy Ratio (CAR) variable has a significant effect on stock prices because the t-statistic value is -2.799175 with a probability value of 0.0066 which is smaller than the significance level of 0.05, then H01 is rejected and Ha1 is accepted. The Return on Equity (ROE) variable has a significant effect on stock prices because the t-statistic value is 51, 56150 with a probability value of 0.0104 which is less than the significance level of 0.05, then H03 is rejected and Ha3 is accepted. The Earning Per Share (EPS) variable has a significant effect on stock prices because the t-statistic value is 10.70219 with a probability value of 0.0000 which is smaller than the significance level of 0.05. then H06 is rejected and Ha6 is accepted. The Price Earning Ratio (PER) variable has a significant effect on stock prices because the t-statistic value is 276.1261 with a probability value of 0.0000 which is smaller than the significance level of 0.05, then H07 is rejected and Ha7 is accepted. The NonPerforming Loan (NPL) variable has no significant effect on stock prices because the t-statistic value is 45.65403 with a probability value of 0.8733 greater than the significance level of 0.05, then H02 is accepted and Ha2 is rejected. The Minimum Statutory Reserves (GWM) variable has no significant effect on stock prices because the t-statistic value is 21.61515 with a probability value of 0.3984 greater than the significance level of 0.05, then H04 is accepted and Ha4 is rejected. The Loan to Deposit Ratio (LDR) variable has no significant effect on stock prices because the t-statistic value is 28.67903 with a probability value of 0.0988 greater than the significance level of 0.05, then H05 is accepted and Ha5 is rejected. 3. The Loan to Deposit Ratio (LDR) variable has no significant effect on stock prices because the t-statistic value is 28.67903 with a probability value of 0.0988 greater than the significance level of 0.05, then H05 is accepted and Ha5 is rejected. 3. The Loan to Deposit Ratio (LDR) variable has no significant effect on stock prices because the t-statistic value is 28.67903 with a probability value of 0.0988 greater than the significance level of 0.05, then H05 is accepted and Ha5 is rejected. 3. Resultsstatistical testing that the probability values of the CAR, NPL, ROE, GWM, LDR, PER and EPS variables obtained a probability value (F-statistic) of 0.000000. Using an alpha of 0.05 shows that the probability value (F-statistic) is smaller than 0.05 (5 percent), then H08 is rejected and Ha8 is accepted. Means Capital Adequacy Ratio (CAR), Non Performing Loans (NPL), Return On Equity (ROE), Statutory Reserves (GWM), Loan to Deposit Ratio (LDR), Earnings Per Share (EPS), Price Earning Ratio (PER) simultaneously (simultaneously) have a significant effect on banking

stock prices (a case study on a BUKU 4 category bank listed in the LQ-45 Index for the period 2008-2012).

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