UNIVERSITAS STIKUBANK
DIGITAL YOUTH ENTREPRENEURIAL UNIVERSITY
DINAMIKA AKUNTANSI KEUANGAN DAN PERBANKAN

Vol. 11., No. 2, Hal: 143 – 154; November 2022
ISSN: 2656-4955 (media online)
2656-8500 (media cetak)

THE EFFECT OF PROFITABILITY RATIOS ON SHARE PRICES OF PERSERO COMMERCIAL BANKS IN INDONESIA FOR PERIOD 2017-2021

Nuril Romadhoni[1]*, Prihatiningsih [2], Septian Yudha Kusuma [3]
Semarang State Polytechnic
nurilromadhoni10@gmail.com

Received: 02 November 2022 ;Revised: 09 November 2022; Published: 14 November 2022

ABSTRACT

This study aims to measure the effect of the variables Return On Asset (ROA), Return On Equity (ROE), Net Profit Margin (NPM) on the Stock Price of Persero Commercial Banks in Indonesia in 2017-2021. The number of samples consists of 4 banks obtained using the total sampling technique. The data used is secondary data obtained from the Quarterly Financial Statements published on the official website of PT Bank Negara Indonesia (Persero) Tbk, PT Bank Mandiri (Persero) Tbk, PT Bank Rakyat Indonesia (Persero) Tbk, and PT Bank Tabungan Negara (Persero) Tbk during of the period 2017-2021. The data analysis model used is multiple linear regression analysis using SPSS 25.00 software. In contrast, hypothesis testing uses data analysis techniques, namely the coefficient of determination (Adjusted R2), F test and t-test. Based on the results of the coefficient of determination test (Adjusted R2), it shows that Return On Assets (ROA), Return On Equity (ROE), and Net Profit Margin (NPM) contribute an influence of 0.36 or 36% to the stock price. In comparison, 0.64 or 64% is explained by other variables outside the research model. F-test results show that Return On Assets (ROA), Return On Equity (ROE), and Net Profit Margin (NPM) simultaneously have a significant effect on stock prices. Based on the results of the t-test shows that the variables Return On Assets (ROA), Return On Equity (ROE), Net Profit Margin (NPM) partially have a significant effect on the Share Price at Persero Commercial Banks in Indonesia for the period 2017-2021.

Keywords: *Stock Price, Return On Asset (ROA), Return On Equity (ROE), and Net Profit Margin (NPM)*

INTRODUCTION

According to Fahrial (2018), in his journal states "Banks have a vital and strategic role in supporting national economic development. As a financial service institution, one of the fundamental roles of banks is to channel funds to people who need business capital through micro, small and medium enterprises. By channelling funds to the real sector in the community, banks indirectly play a role in driving the wheels of the economy for the community." State-owned banks have involvement with many stakeholders in the banking world, such as customers/depositors, shareholders, government and others, so state-owned banks need to pay attention to and maintain their performance as a responsibility to stakeholders in their business activities. State-owned Kayo (2020) banks consist of Bank Mandiri, Bank Negara Indonesia (BNI), Bank Rakyat Indonesia (BRI) and State Savings Bank (BTN). The use of these state-owned banks is because these banks are owned by the Indonesian government and are included in the IDX list, which can exist in competition with the private sector and can contribute to the State Budget (State Income and Expenditure Budget) with dividends given to the state as the owner of these banks. The bank.

According to Musthafa (2017), dividends are the share of profits received by shareholders from the profits of a company. While Wulandari & Yustisia (2013) stated, "The stock price is a reflection of the company's performance in generating profits in a certain period so that the company is expected to provide benefits for shareholders in the future". Company performance can be seen from the company's development through financial statements. Financial statement analysis is done to determine profitability (profit). The level of profitability is the company's ability to generate profits in a certain period. Profit is a measure of the company's performance; when it has high profits, it means that its performance is good, and when it is low, it means that its performance is not good. The company's profit is not only an indicator of the company's ability to fulfil obligations to investors. Still,

*Corresponding

it is also a company value creation factor that affects its prospects. In addition, profit is also compared with other financial conditions, such as sales, assets, and equity. This comparison is called the profitability ratio (Home & Wachowicz, 2009). Hery (2015) states that generous profitability ratios are usually in line with the goals and needs of a company.

There are several profitability ratios in the analysis of financial statements and used by stock market players, namely Return On Assets (ROA), Return On Equity (ROE), and Net Profit Margin (NPM). During the last five years, the ratio of ROA, ROE, NPM and Share Price of Persero Commercial Banks has fluctuated, as shown in the table below:

Table 1. Development of Return On Assets (ROA), Return On Equity (ROE), Net Profit Margin (NPM), and Share Prices of Public Banks in Indonesia in 2017-2021

BANK CODE	YEAR	ROA	ROE	NPM	STOCK PRICE
BBNI	2017	2.70%	15.60%	28.58%	9900
	2018	2.80%	16.10%	27.88%	8,800
	2019	2.40%	14.00%	26.50%	7.850
	2020	0.50%	2.90%	5.91%	6.175
	2021	1.40%	10.40%	21.94%	6.750
BBRI	2017	3.69%	20.03%	39.78%	3.640
	2018	3.68%	20.49%	41.74%	3.660
	2019	3.50%	19.41%	42.12%	4,400
	2020	1.93%	11.05%	23.56%	4.170
	2021	2.72%	16.87%	26.96%	4.110
BBTN	2017	1.71%	18.11%	32.41%	3,570
	2018	1.34%	14.89%	27.83%	2,540
	2019	0.13%	1.00%	2.34%	2.120
	2020	0.69%	10.02%	17.98%	1,725
	2021	0.81%	13.64%	18.29%	1,730
BMRI	2017	2.72%	14.53%	39.14%	8.000
	2018	3.17%	16.23%	45.09%	7.375
	2019	3.03%	15.08%	46.46%	7,675
	2020	1.64%	9.36%	30.41%	6.325
	2021	2.53%	16.24%	40.82%	7.025

Source: Annual Report of Persero Commercial Banks in Indonesia Year 2017-2021

The ROA level at state-owned banks, which showed a very sharp decline in 2020, was at BMRI bank from 3.03% to 1,64%, BBNI from 15,08% to 9,36%, and BBRI from 3,50% to 1. 93%, while in 2019 BBTN from 1,34% to 0,13%. This shows that there is instability in sales earnings, indicating the company is not effectively managing its assets to generate profits. The increase in ROA also occurred in 2020 BBTN from 0,13% to 0,69%, while in 2021 BBRI from 1,93% to 2,72%, BBNI from 0,50% to 1,40%, BMRI from 1,64% to 2,53%. This increase indicates that management can maximize the use of company assets to earn a profit.

The ROE rate decreased in 2019 at BBTN bank from 14,89% to 1,00%, while in 2020 at BBNI bank from 14,00% to 2,90%, BBRI from 19,41% to 11,05%, and BMRI from 15,08% to 9,36%. In addition, ROE has a very sharp increasing trend in 2020 in BBTN from 1,00% to 10,02%, in 2021 BBRI from 11,05% to 16,87%, BBNI from 2,90% to 10,40%, BMRI from 9,36% to 16,24%.

Likewise, there was a very sharp downward trend in the NPM level in 2019 at BBTN from 27,83%

UNIVERSITAS STIKUBANK
DIGITAL YOUTH ENTREPRENEURIAL UNIVERSITY
DINAMIKA AKUNTANSI KEUANGAN DAN PERBANKAN

to 2,34%, while in 2020 at BBNI from 26,50% to 5,91%, BBRI from 42,12% to 23,56%, and BMRI from 46,46% to 30,41%. In addition, the increase in NPM in 2020 BBTN from 2,34% to 17,98%, while in 2021 at BBRI from 23,56% to 26,96%, BBNI 5,91% to 21,94%, BMRI from 30,41% to 40,82%.

Based on the financial report, the share price decreased in 2018 BBTN from Rp. 3.570 to Rp. 2.540, while in 2020 at BBNI from Rp. 7.850 to Rp. 6.175, BBRI from Rp. 4.400 to Rp. 4.170, BMRI from Rp. 7.675 to Rp. 6.325. Increase in Share Price in 2019 at BBRI from Rp. 3.660 to Rp. 4.400, 2021 BBTN from Rp. 1.725 to Rp. 1.730, BBNI from Rp. 6.175 to Rp. 6.750, BMRI from Rp. 6.325 to Rp. 7.025.

Several studies (Firdauzi, 2019; Fitriano & Herfianti, 2021; Kartiko et al., 2021; Manullang, 2019; Mustapa et al., 2021; Rahmat & Fathimah, 2022; Romadhan & Satrio, 2019; Sahari & Suartana, 2020; Simbolon & Sudjiman, 2020) support this conclusion, namely ROA, ROE and NPM partially have a significant effect on stock prices. Meanwhile, according to Khasanah (2021), ROA, ROE, and NPM simultaneously significantly affect stock prices.

Based on this background, the researcher wants to know how much influence the profitability ratios, namely ROA, ROE, and NPM, on stock prices that occur in Persero Commercial Banks and are encouraged to re-examine the research with the title "The Effect of Profitability Ratios on Share Prices of Persero Commercial Banks in Indonesia in 2013. 2017-2021". Thus, researchers can formulate the problem, namely: How is the effect of Return On Assets (ROA), Return On Equity (ROE), and Net Profit Margin (NPM) partially on the Share Price of Persero Commercial Banks in Indonesia for a Period 2017-2021.

THEORY BASIS AND HYPOTHESES DEVELOPMENT

According to Azis (2015), the stock price is defined as follows: "The price in the real market, and is the price that is most easily determined because it is the price of a stock in the ongoing market or if the market is closed, then the market price is the closing price".

Return On Assets (ROA) is a company's financial ratio related to profitability and measures the company's ability to generate profits or profits with a certain level of income, assets, and equity (Hanafi & Halim, 2016). The greater the ROA, the more efficient the use of the company. The exact amount of assets can generate higher profits. This ratio shows the company's ability to profit with all of its assets after tax. The higher the ROA, the better the company's performance. This will affect the interest of investors to invest in the company so that the stock price will be higher (Simbolon & Sudjiman, 2020).

This view is corroborated by the results of research Manullang (2019), Khasanah (2021) and (Simbolon & Sudjiman, 2020), which state that Return on Assets (ROA) has a significant effect on stock prices. Meanwhile, the results of the study Triawan & Shofawati (2018) show Firdauzi (2019) that Return on Assets (ROA) has no significant effect on stock prices.

Amalya (2018) states that the level of ROE reflects the level of stock prices, and ROE indicates that shareholders get high returns, making shareholders buy shares. This resulted in soaring stock prices. According to Akbar's research (2016), ROE has a significant effect on stock prices.

This view is corroborated by the results of research (Firdauzi (2019), Sahari & Suartana (2020), Mustapa et al., (2021), and Khasanah (2021), which states that Return on Equity (ROE) has a significant effect on stock prices. Meanwhile, according to research results, Manullang (2019) and Simbolon & Sudjiman (2020) stated that Return on Equity (ROE) had no significant effect on stock prices.

The Net Profit Margin (NPM) indicates that the greater the net profit, the wider the opportunity the company has to increase working capital without taking on new debts, thus generating more income (Harahap, 2017). Therefore, a higher NPM ratio can indicate better company performance because it can generate higher net income through its operational activities. This means that the company's share price in the capital market has increased and is in great demand by investors.

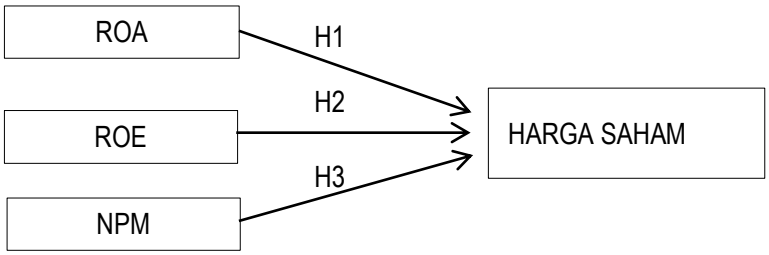
The results of research corroborate this view by Fitriano & Herfianti (2021), Kartiko et al. (2021), Romadhan & Satrio (2019), Khasanah (2021), Mustapa et al. (2021)as well as Rahmat & Fathimah (2022)

UNIVERSITAS STIKUBANK
DIGITAL YOUTH ENTREPRENEURIAL UNIVERSITY
DINAMIKA AKUNTANSI KEUANGAN DAN PERBANKAN

which states that Net Profit Margin (NPM) has a significant effect on stock prices. Meanwhile, according to research results, Triawan & Shofawat (2018) and Sahari & Suartana (2020) stated that Net Profit Margin (NPM) had no significant effect on stock prices.

FRAMEWORK

The following is a chart of the framework for this research:



Picture 1. Framework of Thought

HYPOTHESIS

Based on the framework of thought, the following hypotheses can be formulated:

H1 : It is suspected that the Return On Assets (ROA) partially has a significant effect on the Share Price of Persero Commercial Banks in Indonesia for 2017-2021.

H2 : It is suspected that Return On Equity (ROE) partially has a significant effect on the Share Price of Persero Commercial Banks in Indonesia for 2017-2021.

H3 : It is suspected that the Net Profit Margin (NPM) partially has a significant effect on the Share Price of Persero Commercial Banks in Indonesia for 2017-2021.

METHODOLOGY

This research is causal, and the data used is secondary data. The data in this study are in the form of quarterly data on the financial statements of Persero Commercial Banks listed on the Indonesia Stock Exchange in 2017-2021, which are sourced from financial statements published and accessed from each bank's website. Sampling technique in this study, the author uses a total sampling technique, which is a sampling technique when the entire population is used as a sample. The number of pieces in this study was four samples. The analytical method used in this research is a multiple linear regression analysis methods, consisting of a normality test; classical assumption test, which is divided into a multicollinearity test, autocorrelation test, and heteroscedasticity test; and the feasibility test of the model, which is a split into the F statistical test and the t statistical test.

RESULTS AND ANALYSIS

Multiple Linear Regression Analysis

Tests carried out in this study using SPSS 25.00 software with multiple linear regression analysis methods consisting of descriptive statistics, normality tests, classical assumption tests, and model feasibility tests which are described as follows:

UNIVERSITAS STIKUBANK
DIGITAL YOUTH ENTREPRENEURIAL UNIVERSITY
DINAMIKA AKUNTANSI KEUANGAN DAN PERBANKAN

Descriptive Statistics

Table 2. Descriptive Statistics Results

	N	Minimum	Maximum	mean	Std. Deviation
ROA	80	.0013	.0369	.022431	.0095191
ROE	80	.0100	.2115	.145595	.0391256
NPM	80	.0231	.5034	.332146	.1016077
STOCK PRICE	80	840	12750	4960.59	2566.397
Valid N (listwise)	80				

Source: Secondary data processed with SPSS 25.00 for windows, 2022

Table 3. Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		80
NormaParameterss[a,b]	Mean	.0000000
	Std. Deviation	1523.79895621
Most Extreme Differences	Absolute	.129
	Positive	.129
	Negative	-.124
Test Statistic		.129
Asymp. Sig. (2-tailed)		.002[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Source: Secondary data processed with SPSS 25.00 for windows, 2022

Based on Table 2. shows that the Stock Price variable has a minimum value of Rp. 840 and a maximum value of Rp. 12.750. The lowest value of the Share Price is owned by PT Bank Tabungan Negara (Persero) Tbk in Quarter 1 of 2020, while the highest value of the Share Price is owned by PT Bank Mandiri (Persero) Tbk in Quarter 2 of 2017. While the average value (mean) owned by all up to Rp. 4.960,59, and the standard deviation of Rp. 2.566.397. This shows that the stock price value is well distributed because the average value (mean) is greater than the standard deviation value.

The Return On Asset (ROA) variable has a minimum value of 0.0013 or 0,13% and a maximum value of 0.0369 or 3,69%. The lowest value of Return On Assets (ROA) was owned by PT Bank Tabungan Negara (Persero) Tbk in the 4th Quarter of 2019, while the highest Return On Assets (ROA) was owned by PT Bank Rakyat Indonesia (Persero) Tbk in the 4th Quarter of 2017. the average (mean) of all samples is 0.022431 or 2,24%, and the standard deviation is 0.0095191 or 0,95%. This shows that the Return On Asset (ROA) value is well distributed because the average value (mean) is greater than the standard deviation value.

The Return On Equity (ROE) variable has a minimum value of 0.0100 or 1% and a maximum value of 0.2115 or 21,15%. The lowest value of Return On Equity (ROE) was owned by PT Bank Tabungan Negara (Persero) Tbk in Quarter 1 of 2020, while the highest value of Return On Equity (ROE) was owned by PT Bank Mandiri (Persero) Tbk in Quarter 2 of 2017. While the average value of The mean (mean) of all samples is 0.145595 or 14, 56% and the standard deviation value is 0.0391256

or 39,13%. This shows that the Return On Equity (ROE) value is well distributed because the average value (mean) is greater than the standard deviation value.

The Net Profit Margin (NPM) variable has a minimum value of 0.0231 or 2,31% and a maximum value of 0.5034 or 50,34%. The lowest value of Net Profit Margin (NPM) is owned by PT Bank Tabungan Negara (Persero) Tbk in Quarter 1 of 2020, while the highest Net Profit Margin (NPM) is owned by PT Bank Mandiri (Persero) Tbk in Quarter 2 of 2017. While the average value of The mean (mean) of all samples is 0.332146 or 33, 21% and the standard deviation is 0.1016077 or 10,16%. This shows that the Net Profit Margin (NPM) value is well distributed because the mean is greater than the standard deviation.

Based on Table 3. it can be seen that the Asymp value. Sig. of 0.002 less than 0.05, it can be interpreted that the data is **not normally distributed**. It can be seen that from all normality tests, the information is not normally distributed. So to overcome this, it is necessary to do the treatment by doing Data Transformation. The results of the normality test after data transformation can be seen as follows:

Table 4. Normality Test Results After Transformation

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		80
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	11.32958989
Most Extreme Differences	Absolute	.077
	Positive	.077
	Negative	-.061
Test Statistic		.077
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Source: Secondary data processed with SPSS 25.00 for windows, 2022

Based on the table above, it can be seen that the Asymp value. Sig. of 0.200 more than 0.05, it can be interpreted that the data is **normally distributed**. From all the normality tests carried out above, it is stated that the data used in this study is normally distributed so that the regression model can be used and fulfils the assumption of normality and can be continued to the classical assumption test.

Classic assumption test
Multicollinearity Test

Table 5. Multicollinearity Test Results

Coefficients [a]			
		Collinearity Statistics	
Model		Tolerance	VIF
1	(Constant)		
	SQRT_ROA	.200	5.001
	SQRT_ROE	.285	3.503
	SQRT_NPM	.358	2.796
a. Dependent Variable: SQRT_HARGASAHAM			

Source: Secondary data processed with SPSS 25.00 for windows, 2022

Based on Table 5. the results of the Tolerance and Variance Inflation (VIF) values of each research variable have been obtained as follows: Tolerance Value Return On Assets (ROA) 0.200 > 0.10, with the value of Variance Inflation (VIF) ROA is 5.01 < 10.00, so it can be interpreted that the Return On Asset (ROA) variable does not contain multicollinearity problems; Tolerance Value Return On Equity (ROE) 0.285 > 0.10 with a value of Variance Inflation (VIF) ROE 3.503 < 10.00, so it can be interpreted that the Return On Equity (ROE) variable does not contain multicollinearity problems; Tolerance Value Net Profit Margin (NPM) 0.358 > 0.10, with a Variance Inflation (VIF) NPM value of 2.796 < 10.00, so it can be interpreted that the Return On Equity (ROE) variable does not contain multicollinearity problems.

Based on the calculation of the value of Tolerance and Variance Inflation (VIF) shows that there is no independent variable that has a Tolerance value of 0.10 or equal to a VIF value of 10. Thus, it can be concluded that H $_{0\ is}$ accepted and Ha $_{is}$ rejected.

Autocorrelation Test

Table 6. Autocorrelation Test Results

Model Summary [b]					
Model	R	R Square	Adjusted R Square	Std. The error in the Estimate	Durbin-Watson
1	.790 [a]	.624	.609	11.55104	.816
a. Predictors: (Constant), SQRT_NPM, SQRT_ROE, SQRT_ROA					
b. Dependent Variable: SQRT_HARGASAHAM					

Source: Secondary data processed with SPSS 25.00 for windows, 2022

Based on Table 6. the calculated Durbin-Watson (DW) value is 0.816. This value, when compared with the table value using a significance of 0.05 or 5% with the number of data (n) as many as 80 and the number of independent variables as much as three, then the value of du (upper limit) of 1.7153 and the value of dl (lower limit) are obtained. Of 1.5600, while the value of 4-du is 2.2847.

The results of the autocorrelation test indicate that the Durbin-Watson value follows the 0 < d < dl hypothesis, namely 0 < 0.816 < 1.5600, meaning that the regression model **has a positive autocorrelation problem**. To overcome the problem of autocorrelation, it is necessary to carry out treatment using the Cochrane-Orcutt method. The results of the autocorrelation test using the Cochrane-Orcutt method can be seen in the table below:

Table 7. Autocorrelation Test Results with the Cochrane Orcutt. Method

Model Summary [b]					
Model	R	R Square	Adjusted R Square	Std. The error in the Estimate	Durbin-Watson
1	.621 [a]	.385	.360	9.21533	1,879
a. Predictors: (Constant), LAG_SQRT_NPM, LAG_SQRT_ROE, LAG_SQRT_ROA					
b. Dependent Variable: LAG_SQRT_HARGASAHAM					

Source: Secondary data processed with SPSS 25.00 for windows, 2022

Based on Table 7. shows the results of the autocorrelation test after data transformation. The original data amounted to 80 data and was reduced to 79 data. The number of data (n) is 79, and the number of independent variables (independent) is 4 (four), then the value of du (upper limit) is 1.7141, the value of dl (lower limit) is 1.5568, and the value of 4-du is 2.2859.

The results of the autocorrelation test using the Cochrane-Orcutt method show the Durbin-

Watson value of 1.879, which is greater than du and smaller than the value of 4-du, meaning that it is by the hypothesis du < d < 4-du or 1.5600 < 1.879 < 2.2847, it can be concluded that the regression model is **free from the problem of positive and negative autocorrelation.**

Test Heteroscedasticity

Table 8. Heteroscedasticity Test Results

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2,770	.531		5,213	.000
	LAG_SQRT_ROA	-1,620	15,963	-.021	-.101	.919
	LAG_SQRT_ROE	4.273	6.516	.131	.656	.514
	LAG_SQRT_NPM	-1.606	4.823	-.063	-.333	.740

a. Dependent Variable: LnU2i

Source: Secondary data processed with SPSS 25.00 for windows, 2022

Based on Table 8. it can be seen that the significance value (Sig.) Return On Asset (ROA) is 0.919 > 0.05, so it can be interpreted that the Return On Asset (ROA) variable does not occur heteroscedasticity symptoms; The significance value (Sig.) Return On Equity (ROE) is 0.514 > 0.05, so it can be interpreted that the Return On Equity (ROE) variable does not occur in heteroscedasticity symptoms, and the significance value (Sig.) Net Profit Margin (NPM) is 0.740 > 0.05, so it can be interpreted that the Net Profit Margin (NPM) variable does not occur heteroscedasticity symptoms.

Based on the results of the Park test, all independent variables are known to have a significance value (Sig.) greater than 0.05; it can be concluded that all independent variables in the regression model do not contain heteroscedasticity. Thus it can be stated that H_0 is accepted and H_a is rejected.

Multiple Linear Regression Analysis Model

Table 9. Multiple Linear Regression Test Results

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	33,837	2.424		13,958	.000
	LAG_SQRT_ROA	-210.164	72.832	-.469	-2.886	.005
	LAG_SQRT_ROE	184.775	29,728	.977	6.216	.000
	LAG_SQRT_NPM	-92,698	22.006	-.623	-4.212	.000

a. Dependent Variable: LAG_SQRT_HARGASAHAM

Source: Secondary data processed with SPSS 25.00 for windows, 2022

Based on the results of the multiple regression analysis in Table 9 above, the multiple regression model is obtained as follows:

Share Price = 33.837 + -210.164 LAG_SQRT_ROA + 184.775 LAG_SQRT_ROE + -92.698 LAG_SQRT_NPM (1)

Based on the regression equation, it can be interpreted as follows:

Constant = 33.837

The constant of 33,837 indicates that assuming that the independent variables are Return On

Assets (ROA), Return On Equity (ROE), and Net Profit Margin (NPM), the value is 0 (zero). The Stock Price variable is positive at 33.837.

Regression coefficient LAG_SQRT_ROA = -210.164

This shows that the variable Return On Assets (ROA) harms the stock price of Persero Commercial Banks. Regression coefficient LAG_SQRT_ROA as big as -210,164 indicates that if the Return On Asset (ROA) increases by 1 (one) unit, then the value of the Share Price will decrease by 210.164 to - 176.327 (33.837 - 210.164) with the assumption of Return On Equity (ROE) and Net Profit Margin variables (NPM) is 0 (zero).

Regression coefficient LAG_SQRT_ROE = 184.775

This shows that the variable Return On Equity (ROE) positively affects the stock price of Persero Commercial Banks. Regression coefficient LAG_SQRT_ROE as big as 184.775 indicates that if the Return On Equity (ROE) increases by 1 (one) unit, then the value of the Share Price will increase by 184.775 to 218.612 (33.837 + 184.775) assuming the variables Return On Assets (ROA) and Net Profit Margin (NPM) are 0 (zero).

Regression coefficient LAG_SQRT_NPM = -92.698

This shows that the variable Net Profit Margin (NPM) harms the Share Price of Persero Commercial Banks. Regression coefficient LAG_SQRT_NPM as big as -92.698 indicates that if the Net Profit Margin (NPM) increases by 1 (one) unit, then the value of the Share Price will decrease by 92.698 to -58.861 (33.837 - 92.698) assuming the variables Return On Assets (ROA) and Return On Equity (ROE) is 0 (zero).

Model Feasibility Test

Determinant Coefficient Test

Table 10. Determinant Coefficient Test Results

Model Summary [b]				
Model	R	R Square	Adjusted R Square	Std. The error in the Estimate
1	.621 [a]	.385	.360	9.21533

a. Predictors: (Constant), LAG_SQRT_NPM, LAG_SQRT_ROE, LAG_SQRT_ROA
b. Dependent Variable: LAG_SQRT_HARGASAHAM

Source: Secondary data processed with SPSS 25.00 for windows, 2022

Based on the SPSS 25.0 0, the coefficient of determination test (Adjusted R2) in Table 10 shows the Adjusted R2 value of 0.360 or 36%. This means that Return On Assets (ROA), Return On Equity (ROE), and Net Profit Margin (NPM) contribute to the influence of stock prices by 36%. The remaining 64% is influenced by other variables not included in the research model.

F Statistic Test

Table 11. F . Test Results

ANOVA [a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3987.553	3	1329.184	15.652	.000[b]
	Residual	6369.167	75	84.922		
	Total	10356.720	78			

a. Dependent Variable: LAG_SQRT_HARGASAHAM
b. Predictors: (Constant), LAG_SQRT_NPM, LAG_SQRT_ROE, LAG_SQRT_ROA

Source: Secondary data processed with SPSS 25.00 for windows, 2022

Table 11 shows that the F_{count} result is 15.652, which is greater than the F_{table} of 2.73 with a significance level of 0.000, less than 0.05 or 5%. So it can be concluded that the independent variables, namely Return On Assets (ROA), Return On Equity (ROE), and Net Profit Margin (NPM), simultaneously have a significant effect on the dependent variable, Stock Price. Thus it can be stated that H_0 is rejected and H_a is accepted.

Test Statistics t

Table 12. t-test results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	33.837	2.424		13.958	.000
	LAG_SQRT_ROA	-210.164	72.832	-.469	-2.886	.005
	LAG_SQRT_ROE	184.775	29.728	.977	6.216	.000
	LAG_SQRT_NPM	-92.698	22.006	-.623	-4.212	.000

a. Dependent Variable: LAG_SQRT_HARGASAHAM

Source: Secondary data processed with SPSS 25.00 for windows, 2022

Based on Table 12, the results of the t-statistic test are obtained, which can explain the discussion of hypothesis testing for each independent variable as follows:

Hypothesis testing 1 (one) was carried out with the t-statistic test. Based on Table 12. the resulting t_{count} for the Return On Asset (ROA) = -2.886 > t_{table} of 1.99210 with a significance value of 0.005 0.05. This shows that the Return On Asset (ROA) variable partially negatively affects stock prices. Thus it can be concluded that H_0 is rejected and H_a is accepted, so **H1,** which states, "It is suspected that Return On Assets (ROA) partially has a significant effect on the Share Price of Persero Commercial Banks in Indonesia for Period 2017-2021", is declared **accepted**.

Hypothesis testing 2 (two) was carried out using the t-statistic test. Based on Table 12. the resulting t_{count} for the variable Return On Equity (ROE) = 6.216 > t_{table} of 1.99210 with a significance value of 0.000 0.05. This shows that the Return On Equity (ROE) variable partially negatively affects stock prices. Thus, it can be concluded that H0 is rejected and Ha is accepted, so **H2,** which states, "It is suspected that Return On Equity (ROE) partially has a significant effect on the Share Price of Persero Commercial Banks in Indonesia for Period 2017-2021", is declared **accepted**.

Hypothesis testing 3 (three) is done by statistical test t. Based on Table 12. the resulting t_{count} for the variable Net Profit Margin (NPM) = -4.212 > t_{table} of 1.99210 with a significance value of 0.000 0.05. This shows that the Net Profit Margin (NPM) variable partially negatively affects stock prices. Thus, it can be concluded that H_0 is rejected and H_a is accepted, so **H3,** which states, "It is suspected that the Net Profit Margin (NPM) partially has a significant effect on the Share Price of Persero Commercial Banks in Indonesia for Period 2017-2021", is declared **accepted**.

DISCUSSION AND CONCLUSION

Return On Equity (ROE) is one-factor affecting stock prices, with a reasonably high influence value of 184,775. Return On Equity (ROE) measures the company's efficiency in generating profits through its equity (own capital). The results of this study indicate that if the ratio of Return On Equity

(ROE) increases, the stock price will increase. This shows the effectiveness of profits from the company's capital, which is profitable for shareholders because the higher the Return On Ratio Equity (ROE) will be better. After all, it provides a greater rate of return for shareholders. Banks are expected to increase the ratio of Return On Equity (ROE) so that more investors believe in investing in shares in the company, raising stock prices. One way to increase this ratio is by focusing on loans with high returns on investment, namely the micro and consumer segments, fee-based income, and efficiency through raising low-cost funds.

Net Profit Margin (NPM) is one-factor affecting stock prices, with an influence value of -92.698. Net Profit Margin (NPM) is used to analyze and see the company's ability to measure profits by utilizing assets owned by the company. The results of this study indicate that if the ratio of Net Profit Margin (NPM) increases, the stock price will decrease. This can occur due to several factors, including increased sales that are not followed by an increase in net profit, and increased expenses and costs can influence a decrease in net profit. Thus it will affect investors in making decisions to invest. If the Net Profit Margin (NPM) significantly influences the Stock Price, the company's ability to earn profits is also high. Investors will usually pay more attention to the company's net sales figures. Banks are expected to increase the Net Profit Margin (NPM) ratio by providing the best service for customers, adding new products, and reducing costs incurred in connection with their operational activities so that sales levels increase and the company is more productive. In addition, it can also attract the attention of investors to invest.

Return on Assets (ROA) is one-factor affecting stock prices, with the highest influence value of -210.164. The Return On Assets (ROA) ratio is used to measure the bank's net profit from using assets. The results of this study indicate that if the ratio of Return On Assets (ROA) increases, the stock price will decrease. This can happen due to several factors, including the decline in the rupiah exchange rate against foreign currencies, inflation, and market manipulation such as rumours, news and even rumours that come from out of nowhere, and unexpected conditions can affect the increase or decrease in stock prices. Therefore, the company should pay more attention to the level of the Return On Assets (ROA) ratio, as well as pay attention to the company's performance to increase company profits by lowering the cost of funds and maximizing the potential of assets and equity to generate profits, so that there is no further decline in the following year.

The independent variables consisting of ROA, ROE and NPM contributed to the influence of the stock price of 0.360 or 36% based on the value in Adjusted R [2. The] remaining 64% are influenced by other factors not included in this research model. The research model developed consists of 3 (three) hypotheses. Based on the data analysis and discussion of the research results, the following conclusions can be drawn: Return on Assets (ROA) partially has a significant effect on the Share Price of Persero Commercial Banks in Indonesia for Period 2017-2022 or **H1 is accepted**; Return On Equity (ROE) partially has a significant effect on the Share Price of Persero Commercial Banks in Indonesia for Period 2017-2022 or **H2 is accepted**, and Net Profit Margin (NPM) partially has a significant effect on the Share Price of Persero Commercial Banks in Indonesia for Period 2017-2022, or **H3 is accepted**.

REFERENCE

Amalya, N. T. (2018). Effect of Return On Assets, Return On Equity, Net Profit Margin and Debt to Equity Ratio on Stock Prices. Journal of Securities (Stocks, Economics, Finance And Investment) , 1 (3), 157–181. www.idx.co.id

Azis, M. (2015). Investment Management: Fundamentals, Technical Investor Behavior and Stock Returns .

Fahrial. (2018). The Role of Banks in National Economic Development. Encyclopedia of Journals , 1 (1). http://jurnal.encyclopediaku.org

UNIVERSITAS STIKUBANK
DIGITAL YOUTH ENTREPRENEURIAL UNIVERSITY
DINAMIKA AKUNTANSI KEUANGAN DAN PERBANKAN

Firdauzi, F. F. (2019). Effect of Return On Assets (ROA), Return On Equity (ROE), and Net Profit Margin (NPM) on Stock Prices [State University of Jakarta]. http://repository.unj.ac.id/12043/

Fitriano, Y., & Herfianti, M. (2021). Analysis of the Effect of Return On Assets (ROA), Return On Equity (ROE) and Net Profit Margin (NPM) on Stock Prices (Study on Banking Companies Listed on the Indonesia Stock Exchange 2015-2018). Journal of the Economist Review , 9 (2), 193–205. https://doi.org/10.37676/ekombis.v9i2.1330

Hanafi, M. M., & Halim, A. (2016). Financial Statement Analysis 5th Edition .

Harahap, S. S. (2017). Critical Analysis of Financial Statements . PT Raja Grasindo Persada.

Harry. (2015). Financial Statement Analysis . CAPS (Center for Academic Publishing Service).

Home, J. C. van, & Wachowicz, J. M. (2009). Principles of Financial Management (Translation of Dewi Fitriasari and Deny A. Kwary) . Salemba Four.

Kartiko, N. D., Ismi, D., & Rachmi, F. (2021). The Effect of Net Profit Margin, Return On Assets, Return On Equity, and Earning Per Share on Stock Prices During the Covid-19 Pandemic (Empirical Study on Public Companies in the Mining Sector on the Indonesia Stock Exchange). Journal of Business Research and Investment , 7 (2), 58.

Kayo, E. S. (2020). State-owned Bank (Persero Commercial Bank) . Stock OK. https://www.sahamok.net/bank/bank-umum-bumn/

Khasanah, N. (2021). The Effect of ROA, ROE and NPM on the Share Prices of Insurance Companies Listed on the Indonesia Stock Exchange (IDX) in 2017-2019 . Ponorogo State Islamic Institute.

Manullang, A. R. (2019). The Effect of Return On Assets (ROA), Return On Equity (ROE), Net Profit Margin (NPM) and Earning Per Share (EPS) on Stock Prices (Study on the Construction Services Sector Listed on the Indonesia Stock Exchange 2014-2018). Science of Management and Students Research Journal , 1 (12), 392–400. https://doi.org/10.33087/sms.v1i12.57

Mustapa, G., Hermawan, H., & Raraswati, Y. (2021). Net Profit Margin (NPM) Against Share Prices in Pharmaceutical Companies Listed on the Indonesia Stock Exchange (IDX). Journal of Research , 5 (2).

Mustafa. (2017). Financial Management . CV. Andi Offset.

Rahmat, R., & Fatimah, V. (2022). Effect of ROA, ROE and NPM on Stock Prices in Non-Banking Companies listed in LQ45. Journal of Management Science , 10 (1), 8–13.

Romadhan, Y. P., & Satrio, B. (2019). The Effect of ROA, ROE, NPM and EPS on the LQ45 Stock Price on the Indonesia Stock Exchange. Journal of Management Science and Research .

Sahari, KA, & Suartana, I. W. (2020). The Effect of NPM, ROA, ROE on Stock Prices in LQ45 Companies. E-Jurnal Accounting , 30 (5), 1258. https://doi.org/10.24843/eja.2020.v30.i05.p15

Simbolon, J. T., & Sudjiman, P. E. (2020). The Effect of ROA and ROE on Stock Prices. Journal of Economics , 13 (4A). https://jurnal.unai.edu/index.php/jeko/article/view/2419

Triawan, R., & Shofawati, A. (2018). The Effect of ROA, ROE, NPM and EPS on the Company's Stock Price in the Jakarta Islamic Index (JII) Period 2011-2015. Journal of Theoretical and Applied Islamic Economics , 5 (7), 541–555.

Wulandari, M. A., & Yustisia, N. (2013). Effect of Stock Split on Stock Circulation and Financial Performance. Journal of Accounting & Business , 1 (1).

UNIVERSITAS STIKUBANK
DIGITAL YOUTH ENTREPRENEURIAL UNIVERSITY
DINAMIKA AKUNTANSI KEUANGAN DAN PERBANKAN