EFFECT OF FINANCIAL PERFORMANCE OF BANKING COMPANIES TO STOCK RETURN (Empirical Studies On Banking Companies Listed In Indonesia Stock Exchange In The Year of 2011 – 2015)

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Abstract
Purpose of this research is to find out affect of Capital Adequacy Ratio, Loan To Deposit Ratio, Return On Asset, and Net Profit Margin partially and together on Stock Return. Population of this research are Non LQ 45 banking companies listed on Indonesia Stock Exchange during 2011-2015 amounted 43 companies. Based on purposive sampling, there are 24 Non LQ 45 companies which fulfilled the sample requirements. The data used is the annual financial statements (audited). This research uses panel data regression and hypothesis testing using Eviews 9 application. Based on this research result Capital Adequacy Ratio has positive effect but not significant to stock return, both Loan To Deposit Ratio and Net Profit Margin have negative effect and significant to stock return, and Return On Asset has positive effect and significant to stock return. Independent variables Capital Adequacy Ratio, Loan To Deposit Ratio, Return On Asset, and Net Profit Margin are simultaneously able to effect the dependent variable Stock Return significantly. The ability of independent variables Capital Adequacy Ratio, Loan To Deposit Ratio, Return On Asset, and Net Profit Margin to explaining the dependent variable Stock Return as parameter is 27,23%, while the rest equal 72,77% explained by other causes outside research model.

Keywords: Capital Adequacy Ratio, Loan To Deposit Ratio, Return On Asset, and Net Profit Margin to stock return..

INTRODUCTION

Banking is anything about the bank, including institutions, business activities, and how the process in carrying out its business activities. Economic development of a country is determined by the condition of banking in that country. Dark past travel that occurred in the Indonesian banking industry has occurred as many cases of fraud committed by unscrupulous or unsuccessful banks to maintain liquidity. Examples include the break-ins of Indonesian Development Bank (Bapindo) in 1996 amounting to Rp 1.5 trillion and the national banking crisis in 1998. Then in the reform era 2002 - 2004 also continued some banking fraud. Among other things, the case of Bank Bali cessie amounted to Rp 546 billion, a case letter of fake credit Indonesian State Bank (BNI) of Rp 1,200 trillion. In the 2004 - 2008 closing period, several banks, including Global Bank, Asiatic Bank, and Bali Merchant Bank (BDB) due to mismanagement up to several cases of fictitious credit in State-Owned Enterprises (BUMN) and Century Bank bailout.

The role of banking institutions that are strategic in achieving national development objectives, development needs and effective supervision, financial policies in Indonesia that are able to work efficiently, healthy and reasonable, and able to mobilize adequate community resources, as well as channeling public funds to the field - the fields that generate for the target development. Banks called countries or economic entities also make financial statements to show the information and financial position presented to interested parties. Based on Financial Accounting Standards (SAK) Year 2004 No 1, the purpose of financial statements is to provide information on the financial position, performance and cash flows of the company used for most financial statements in order to make economic decisions and also shows management accountability for the use of resources entrusted to them.

Previously, the rating system for the health of commercial banks used the scoring system as stipulated in Bank Indonesia Regulation Number 6/10 / PBI / 2004 which is known as CAMELS method which consists of Capital, Asset Quality, Management, Earnings, Liquidity & Sensitivity to market risk. While the method or approach used in assessing the health of banks currently refers to Bank Indonesia Regulation No.13 / 1 / PBI / 2011 on the Rating of Commercial Bank Health, by using RBBR method through Risk-based Bank Rating either individually or consolidatively, the scope of the assessment includes the following factors: Risk profile, Good Corporate Governance (GCG), Profitability (earnings); and Capital (capital) or shortened to RGEC.

The change in the rating system of commercial banks from CAMELS method to RGEC method due to the global financial crisis that occurred in recent years provides a valuable lesson that innovation in banking products, services and activities that are not balanced with the implementation of adequate risk management can cause various fundamental problems in banks as well as to the financial system as a whole. In addition to the failure of strategies and fraudulent practices of top management that went undetected and led to the importance of implementing good corporate governance (GCG). The experience of the global financial crisis has prompted the need for increased effectiveness of risk management and GCG implementation. The objective is to enable banks to identify problems early, to follow up on appropriate and faster repairs, and to implement better GCG and risk management so that banks are more resilient in the face of crisis. In line with the above developments, Bank Indonesia improved the method of appraising the soundness of commercial banks.

Capital Adequacy Ratio (CAR) or often called Minimum Capital Requirement (KPMM) in accordance with Bank Indonesia provisions contained in Circular Letter (SE) of BI. 15/11 / DPNP dated April 8, 2013 which contains a bank can be said to be healthy if the bank has a CAR (KPMM) ratio of at least eight percent.

Loan to Deposit Ratio (LDR) is the ratio between loans disbursed with third party funds collected by banks (Giro, Saving and Deposit). The good loan to deposit ratio is in the range of 85% - 95%. The low deposit of deposit ratio reflects the funds collected by the bank is not maximally implanted in the form of credit, so it will not generate maximum profitability.

Conversely, if the loan to deposit ratio is too high, it reflects that all public funds collected are channeled in the form of credit so that it can generate maximum profit, but will be able to disrupt the liquidity of the bank in case of withdrawal of public funds.

The bank's profitability measured by the Return On Asset (ROA) ratio reflects the ability of assets owned by banks to generate profits. The higher return on assets shows the bank's ability to generate better profits which means that the bank's performance is improving so that it can increase the share price of the bank which will then increase the stock return to investors.

Kuncoro dan suhardjono (2002, h.564) suggests that management quality demonstrates the ability of bank management to identify, measure, monitor and control risks arising from its business policies and strategies to achieve targets. The ratio to measure this aspect of management is Net Profit Margin (NPM). Net profit margin is a ratio that describes the level of profit (net profit) obtained by the bank compared to the revenue received from its operational activities (see also Dendawijaya, 2006, p.120). The higher net profit margin of a bank means the better the bank's performance from the management point of view.

There have been some previous researches that have been done previously, such as research conducted by Esti Yuliani (2016) entitled 'The Effect of Bank Health Level on Stock Return on Banking Companies in BEI' gives Return On Asset results significantly influence the stock return, Non Performing Loan , Good Corporate Governance, Capital Adequacy Ratio no significant effect on stock return. Research conducted by Febdwi and Vincent Wisely (2016) under the title 'The Effect of Financial Performance on Stock Return on Banking Companies listed on the Stock Exchange period 2011 - 2013' gives results Partially Capital Adequacy Ratio, Return On Risk Asset, Loan To Deposit Ratio and Earning Per Share has a significant effect, while Operating Expense On Operating Income has no significant effect. Ni Luh Putu Dewi Sunari Setyarini (2017) also conducted a study on stock returns with the title 'The Effect of Financial Performance on Stock Return of Banking Companies in BEI' gives Capital Adequacy Ratio (CAR) and Net Profit Margin (NPM) return of banking company stock, while Loan to Deposit Ratio (LDR) have positive and insignificant effect to stock return.

In this research, the dependent variable of stock return will be related to independent variable of capital adequacy ratio, loan to deposit ratio, return on asset and net profit margin.

RESEARCH METHODOLOGY

Research Design

This research includes comparative causal research that is research with problem characteristic in the form of causal relationship between two variables or more. This research also includes ex past facto research, ie the type of research on data collected after the occurrence of a fact or event.

This research uses a quantitative approach which is an emphasis on theoretical testing through measurement of research variables with numbers and perform data analysis with

statistical procedures. The purpose of this research is to test hypothesis and explain the correlation of variables studied namely Capital Adequacy Ratio, Loan To Deposit Ratio, Return On Asset and Net Profit Margin as independent variable and Return of Stock as dependent variable.

Research Population

Population in this research is Non LQ 45 banking company that has go public, and published audited financial statements and published in Indonesia Stock Exchange year 2011 - 2015. The population in this research amounted to 43 companies.

Research Sample

The method of determining the sample used in this study is purposive sampling, namely the determination of the sample of the existing population in accordance with the criteria specified. Sample determination criteria used in this study are :

1.   The research is focused on non-LQ 45 banking companies listed on the Indonesia Stock Exchange (BEI).

2.   Research data is secondary data obtained from Indonesia Stock Exchange in 2011-2015.

3.   Banking companies are listed on the Indonesia Stock Exchange before January 1, 2011.

4.   Banking companies do not experience delisting from Indonesia Stock Exchange during 2011 - 2015 research year.

5.   A banking company that provides complete financial information during 2011 - 2015.

6.   The financial statements of banking companies have been audited by independent auditors.

Based on the method selected as many as 24 companies used as sample research

Operationalization of Variable

1.   Capital Adequacy Ratio

Capital adequacy ratio serves to accommodate the risk of losses that may be faced by the bank. The higher the CAR the better the bank's ability to bear the risk of any credit or risky earning assets, so that the bank can maintain its liquidity. Thus, it will affect the bank's profitability as well as its share price. CAR is calculated by dividing capital by Risk-Weighted Assets (ATMR). Calculation of capital and RWA based on the applicable Minimum Capital Adequacy Ratio (KPMM). Capital Adequacy Ratio formula according to Kasmir (2011) is :

$$\frac{(\text{CORE CAPITAL} + \text{COMPLEPEMENTARY CAPITAL})}{\text{TOTAL ATMR}} \times 100\%$$

2.   Loan to Deposit Ratio

Loan To Deposit Ratio is a ratio that measures the ratio of the amount of credit provided by the bank to the funds received by the bank, which describes the bank's ability to repay the withdrawal of funds by the depositor by relying on the credit given as a source of liquidity.

Loan To Deposit Ratio in Pandia (2012) is calculated using the formula:

$$\frac{\text{AMOUNT OF CREDIT GRANTED}}{\text{AMOUNT OF THIRD-PARTY FUNDS}} \text{x100\%}$$

3.   Return On Asset

ROA is the ratio used to measure the ability of banks to generate profits relative to the total assets. ROA provides an overview of how efficiently banks use their assets to generate net income. How to calculate ROA percentage is by dividing the firm's annual profit by total assets. The Return On Asset (ROA) formula in Pandia (2012) is :

$$\frac{\text{NET PROFIT}}{\text{TOTAL ASSETS}} \text{ x 100\%}$$

4.   Net Profit Margin

Net profit margin is the ratio between net income after tax with sales. This ratio explains the level of company efficiency, ie how far the company's ability to reduce its operational costs over a certain period. Net Profit Margin in Agus Sartono (2010) can be calculated by the formula :

$$\frac{\text{EARNING AFTER TAX}}{\text{REVENUE}} \text{x100\%}$$

5.   Stock Return

Dependent variable (Y) in this research is stock return. According Ang (1997) Return of shares is the level of profit enjoyed by investors on an investment that he did. Any long-term or short-term investments have the main objective of obtaining a profit called return, either directly or indirectly. Returns of shares can be calculated as follows (Jogiyanto, 2010) :

$$\frac{Pt - Pt_{-1}}{Pt_{-1}} \text{ x 100\%}$$

Information :

P_t : Closing Stock Price year of t

Pt_{-1} : Closing Stock Price year of t_{-1}

RESULT

Technique of data collecting is done by using literature study method and documentation. Library study and documentation used are audited financial statements of companies listing and published by Indonesia Stock Exchange during the year of research through Indonesia Stock Exchange. The application used in this research is Eviews 9 application using financial data for 5 years.

Table 1
Descriptive Statistics Analysis

	RETURN	CAR	LDR	ROA	NPM
Mean	0.191	16.84258	84.39392	1.147	12.94792
Median	0.15	16.44	85.41	1.07	12.18
Maximum	1.93	29.78	93.58	3.35	26.24
Minimum	-0.36	8.02	71.13	0.03	5.88
Std. Dev.	0.355704	4.007149	4.517484	0.658946	4.800900
Skewness	1.913401	0.603284	-0.591735	0.714316	0.556671
Kurtosis	9.538516	3.592531	2.763865	3.695335	2.508577
Jarque-Bera	286.9831	9.034490	7.281814	12.62241	7.405141
Probability	0.00	0.010919	0.026229	0.001816	0.024660
Sum	22.92000	2021.110	10127.27	137.6400	1553.75
Sum Sq. Dev.	15.05648	1910.811	2428.512	51.67092	2742.788
Observations	120	120	120	120	120

Descriptive Statistics

1.   Capital Adequacy Ratio

Capital Adequacy Ratio has a minimum value of 8.02 with a maximum value of 29.78. The average value obtained from 120 observations is 16.84258 with the median of 16.44 and the standard deviation of 4.007149.

2.   Loan To Deposit Ratio

Loan To Deposit Ratio has a minimum value of 71.13 with a maximum value of 93.58. The average value obtained from 120 observations is 84.39392 with median of 85.41 and standard deviation of 4.517484.

3.   Return On Asset

Return On Asset has a minimum value of 0.03 with a maximum value of 3.35. The average value obtained from 120

observations was 1.147 with a median of 1.07 and a standard deviation of 0.658946.

4.   Net Profit Margin

Net Profit Margin has a minimum value of 5.88 with a maximum value of 26.24. The average value obtained from 120 observations is 12.94792 with a median of 12.18 and a standard deviation of 4.800900.

5.   Stock Return

Stock Return has a minimum value of -0.36 with a maximum value of 1.93. The average value obtained from 120 observations is 0.191 with median of 0.15 and standard deviation of 0.355704.

Table 2

Random Effect Model Test

Dependent Variable: RETURN
Method: Panel EGLS (Cross-section random effects)
Date: 02/18/18   Time: 16:15
Sample: 2011 2015
Periods included: 5
Cross-sections included: 24
Total panel (balanced) observations: 120
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.446655	0.629938	2.296505	0.0235
CAR	0.012395	0.008374	1.480152	0.1416
LDR	-0.016426	0.007105	-2.311987	0.0226
ROA	0.212854	0.081644	2.607081	0.0103
NPM	-0.024895	0.010601	-2.348397	0.0206

	Effects Specification			
			S.D.	Rho

Cross-section random		0.152102	0.1959
Idiosyncratic random		0.308156	0.8041

Weighted Statistics			
R-squared	0.303520	Mean dependent var	0.128244
Adjusted R-squared	0.272338	S.D. dependent var	0.317567
S.E. of regression	0.305865	Sum squared resid	10.75866
F-statistic	3.319864	Durbin-Watson stat	2.160780
Prob(F-statistic)	0.012979		

Unweighted Statistics			
R-squared	0.327937	Mean dependent var	0.191000
Sum squared resid	13.13020	Durbin-Watson stat	1.770505

Test of Estimation Model selection

Chow Test

Based on chow test results obtained probability value F of 0.0026, this means probability value F 0.0026 <0.05, then H0 is rejected and H1 accepted. So that the use of fixed effect model is better than the common effect model. Next will be done Hausman test

to determine between fixed effect model and random effect model.

Hausman Test

Based on the results of hausman test using eviews 9 obtained p-value of Chi Square 0.6813> 0.05 means H0 accepted and H1 rejected, where the random effect model is better than the fixed effect model. Then the random effect model will be used in research.

Langrange Multiplier Test

Based on the result of Langrange Multiplier test using eviews 9 obtained through cross-section result one-sided Breusch Pagan value 5.321466 with p-value 0.0211 <0.05 means H0 rejected and H1 accepted, where random effect model is the most appropriate model used in research.

Data Panel Analysis

The result of estimation of random effect model by using software eviews 9 obtained equation as follows :

Return = 1.446655 + 0.012395CAR - 0.016426LDR + 0.212854ROA - 0.024895 NPM

Partial Testing (T test)

1.   Capital Adequacy Ratio

From significance test result using application of eviews 9 obtained value of regression coefficient of capital adequacy ratio equal to 0.012395, t-statistic equal to 1.480152 and probability capital adequacy ratio $0.1416 > 0.05$. Then H0 is accepted and H1 is rejected. This shows that the variable capital adequacy ratio does not affect the stock return variable.

2.   Loan To Deposit Ratio

From significance test result using application of eviews 9 obtained coefficient value of regresi loan to deposit ratio equal to -0.016426, t-statistic equal to - 2,311987 and probability value of loan to deposit ratio $0.0226 < 0.05$. Then H0 is rejected and H2 is accepted. This shows that the variable loan to deposit ratio has significant effect on stock return variable.

3.   Return On Asset

From significance test result using eviews 9 obtained value of regression coefficient return on asset equal to 0.212854, t-statistic equal to 2.607081 and value of probability return on asset $0.0103 < 0.05$. Then H0 is rejected and H3 accepted. This shows that the variable return on asset have significant effect to stock return variable.

4.   Net Profit Margin

From significance test result using application eviews 9 obtained coefficient value of net profit margin regression equal to -0.024895, t-statistic equal to -2.34839 and probability value net profit margin $0.0206 < 0.05$. Then H0 is rejected and H4 accepted. This shows that the variable net profit margin significantly influence the stock return variable.

Simultaneous Testing (F test)

From the result of significance test using application eviews 9, the probability value of F is $0.012979 < 0.05$, so H0 is rejected and Ha is accepted which means there is a significant influence simultaneously from CAR, LDR, ROA, and NPM variable to stock return variable

Coefficient of Determination

From significance test result using application of eviews 9, Adjusted R Squared (R^2) value equal to 0,2723. This means that the ability of independent variables of capital adequacy ratio, loan to deposit ratio, return on assets, and net profit margin in explaining the dependent variable of stock return is 27.23%, while the rest of 72.77% is explained by factors other outside of the model used.

DISCUSSION

1. From the partial test table (t test) between the capital adequacy ratio to stock return indicates that the coefficient for this variable is 0.012395 with probability value 0.1416, so it can be interpreted that there is no significant effect on stock return. This is evidenced by a probability value greater than 0.05. The value of the regression coefficient of capital adequacy ratio of 0.012395 means that any increase in capital adequacy ratio of 1% will result in a stock return increase of 1.23% with assumption of loan to deposit ratio, return on asset and net profit margin unchanged. The results of this study indicate that the increase or decrease in capital adequacy ratio during the study period does not affect the increase or decrease of stock return significantly. Capital adequacy ratio is a minimum capital that can guarantee the interests of third parties against the possibility of the risk of loss from assets - assets owned. Suhardjono (2002, p.153) says that the greater the capital owned by a bank means public trust and investor will be better, because there will be a perception that the bank has the ability to survive the risk of loss. If the ratio of capital adequacy ratio increases, it will basically increase the stock price because the bank's ability to generate profit will also be better, and in the end it will be able to increase stock return for investors. This paradigm that causes the influence caused by capital adequacy ratio to stock return in research is positive. However, the higher the capital adequacy ratio of a bank, the greater the allocation of retained earnings not distributed to shareholders as the realization of the stock return in the form of dividend payments. Retained earnings are used as additional capital (equity) for banks, so the allocation of these funds will increase the bank's capital adequacy ratio (Kasmir, 2010, p.232). The result of this research also shows that the realization of payment of stock return on banking companies in BEI in observation period 2011 - 2015 is low, that is only around 0.19 average. This is what then, according to the author, caused the influence of capital adequacy ratio although positive but did not give a significant impact on stock returns. The results of this study are in line with research conducted by Esti Yulani (2016), which also shows that the variable capital adequacy ratio has no effect on stock returns.

2. From the table of partial test results (t test) between the loan to deposit ratio to return shows that the regression coefficient for the variable loan to deposit ratio is worth -0.016426 with probability value 0.0226, so it can be interpreted that the variable Loan to Deposit Ratio (LDR) negative and significant to stock return. The value of regression coefficient for loan to deposit ratio variable -0.016426 means that every increase of loan to deposit ratio of 1% will result in stock return decline by 1.64% with assumption of capital adequacy ratio, return on asset and net profit margin unchanged. This result is contrary to the theory that the higher loan to

deposit ratio shows the higher credit given by the bank, which means there will be an increase in interest from credit that affects the increased profit of the bank concerned, which may result in the bank's financial performance increases. .This is because banks prefer to distribute credit levels in order to increase income from the credit interest sector. Of course, with high revenue from the sector can increase banking revenue. With increasing revenue will affect the stock price of the company. The value of the regression coefficient of loan to deposit ratio is negative in the results of the study showed results that are not in line with the existing theory. Loans are given of course have credit risk, namely bad debts that can affect investor confidence in choosing a company to be invested capital. During the period of research conducted there was indeed credit growth in the banking sector, but banking companies were not able to enjoy interest income from high credit disbursement due to increased provision costs due to the amount of non-performing loans or non performing loans that resulted in a decrease in net profit . The decline in the quality of credit provided requires banks to increase the cost of credit quality reduction provision. The low trust of investors will be inconsistent earnings gains affect the stock price of the company and will lead to loss in the form of capital loss is the difference in loss of stock price transactions, which causes the investors do not get the desired rate of return. The results of this study are in line with research conducted by Febdwi and Vincent Wisely (2016) which shows that the variable Loan to Deposit Ratio negatively affect the stock return.

3.   From the partial test table (t test) between return on asset to stock return shows that the coefficient for return on asset variable is 0.212854 with probability value 0.0103, so it can be interpreted that the variable return on asset have positive and significant effect to stock return. The value of return on asset regression coefficient of 0.212854 means that any increase in return on assets 1% then will result in stock return increased by 21.28% assuming capital adequacy ratio, loan to deposit ratio and net profit margin unchanged. Increased return on assets means that the overall use of assets owned by the company is effective so as to increase the value of net income which means increasing the value of sales. Companies that increase sales will encourage an increase in profits that show the company's operations healthy and good. This will attract the attention of investors. Rational investors will of course choose investments in companies that have high profitability, so it will encourage the increase in stock prices that will ultimately encourage the increase of stock returns that will be accepted by investors. During the period of research conducted returns derived from assets weakened due to decreased interest returns from credits distributed by the company did not generate maximum revenue, which then led to a decrease in profits obtained by the company. So it can be concluded if the return on asset (ROA) rises, then the stock return also increases and if the return on assets (ROA) decreased, then the stock return also decreased. This revelation is supported return by the results of research conducted by Purwasih (2010) that Return on Asset (ROA) have a positive effect on stock return. Meanwhile, according to Kashmir (2012: 202), the smaller (lower) ratio is getting less good, and vice versa. This means this ratio to measure the effectiveness of the overall operation of the company. Companies that are able to generate high profits will attract investors to invest in the company, because more and more investors are investing then the company's stock price will increase and result in the stock return of the company increased.

4.   From the table of partial test results (t test) between net profit margin to stock return shows that the coefficient for net profit margin variables worth -0.024895 with probability value 0.0206, so it can mean that the net profit margin variable has a negative and significant effect on stock return. The net profit margin regression coefficient value of -0.024895 means that any increase in net profit margin of 1% will result in a stock return decrease by 2.48% with assumption of capital adequacy ratio, loan to deposit ratio and return on asset unchanged. This is contrary to the theory that the greater net profit margin will attract investors to invest in the company, which causes the share price to increase and of course the stock return also increases. However, when viewed during the study period the company's net profit margin decreased year-on-year, which indicated that the net profit from income earned by the company from its business was also lower. The company's current year earnings that can be used as additional capital to innovate in expanding the business and the current year's earnings that can be allocated by the company to be distributed to shareholders in the form of dividends will also decrease. The decline in net profit margin signaled that the bank's operating performance was weakening, which then gave negative signals to investors and potential investors, followed by declining share prices. Increased stock return of the company slowly in the period of research caused by the policy taken by OJK which aims to create a stimulus for the growth of the national economy. This is done by publishing and adjusting a number of regulations in the field of banking, capital markets and non-bank financial industry. Some policies, bills or credits guaranteed by the central government are subject to a zero percent risk weight in the calculation of Risk Weighted Assets (ATMR) for credit risk, the application of business prospect assessment as one of the credit restructuring conditions without considering the market and industry conditions of the debtor's business sector, and the bank is allowed to perform credit restructuring before any downturn. Restructuring can be done if the bank credit is still smooth. OJK encourages banks to restructure do not wait for credit problem. So that banks can improve the quality. Therefore, good quality does not need the support of large capital. The rising stock price proves if potential investors have confidence that the company's performance is improving again. The increasing demand for stocks causes the company's stock price to rebound. The results of this study are in line with the research conducted by Nova Yunita (2013), which research also conducted that the variable net profit margin has a negative effect on stock return.

CONCLUSION

Capital adequacy ratio has a positive but not significant effect on stock returns on banking companies listed on Indonesia Stock Exchange in 2011-2015. The results of this study show that the realization of payment of stock returns on banking companies in BEI in the observation period 2011 - 2015 is low , which only ranges from an average of 0.19. The higher the capital adequacy ratio of a bank, the greater the allocation of retained earnings that are not distributed to shareholders as the realization of the stock return in the form of dividend payments. Retained earnings are used as additional capital (equity) for banks, so that the allocation of these funds will increase the capital adequacy ratio of the banks concerned This is what, according to the

authors, caused the influence of capital adequacy ratio although positive but did not give a significant impact on stock return.

Loan to deposit ratio has a negative and significant effect on stock returns on banking companies listed on the Indonesia Stock Exchange in 2011 - 2015. The effect of negative loan to deposit ratio is due to the income generated by the company derived from loans / loans granted to other parties . Loans that are given of course have a credit risk, namely bad debts that can affect investor confidence in choosing the company to be invested capital. With the low trust of investors is feared stock prices will also fall and will lead to losses in the form of capital loss is the difference in loss from stock price transactions. This is then, according to the author, causes the influence of loan to deposit ratio is negative and give a significant impact on stock returns.

Return on assets has a positive and significant effect on stock returns on banking companies listed on the Indonesia Stock Exchange in 2011 - 2015. Increased return on assets means that the overall use of assets owned by the company is effective, thus increasing the value of net income which means increasing the sales value. Companies that increase sales will encourage an increase in profits that show the company's operations healthy and good. This will attract the attention of investors. Rational investors will of course choose investments in companies that have high profitability, so it will encourage the increase in stock prices that will ultimately encourage the increase of stock returns that will be accepted by investors. During the period of research conducted returns derived from assets weakened due to decreased interest returns from loans distributed by the company does not generate maximum revenue, which then led to decreased profits obtained by the company. So it can be concluded if the return on asset (ROA) rises, then the stock return also rises and if the return on assets (ROA) decreased, then the stock return also decreased This is then, according to the author, cause the influence of return on assets is positive and give impact which is significant against stock return.

Net Profit margin has a negative and significant effect on stock returns in banking companies listed on the Indonesia Stock Exchange in 2011 - 2015. This indicates if during the study period of net profit margin declining the impact on the company's stock price decline. The decline in net profit margin signaled that the bank's operating performance was weakening, which then gave negative signals to investors and potential investors, followed by declining share prices. Increased stock return of the company slowly in the period of research caused by the policy taken by OJK which aims to create a stimulus for the growth of the national economy. This is done by publishing and adjusting a number of regulations in the field of banking, capital markets and non-bank financial industry. Some policies, bills or credits guaranteed by the central government are subject to a zero percent risk weight in the calculation of Risk Weighted Assets (ATMR) for credit risk, the application of business prospect assessment as one of the credit restructuring conditions without considering the market and industry conditions of the debtor's business sector, and the bank is allowed to perform credit restructuring before any downturn. Restructuring can be done if the bank credit is still smooth. OJK encourages banks to restructure do not wait for credit problem. So that banks can improve the quality. Therefore, good quality does not need the support of large capital. The increasing stock price proves if potential investors

have confidence that the company's performance is back improved. A rising stock demand then causes the company's stock price to rebound or rise. The independent variable of capital adequacy ratio, loan to deposit ratio, return on asset, and net profit margin simultaneously can influence the dependent variable of stock return significantly and the strongest variable influence stock return variable is return on asset with probability value 0.01. The independent variable of capital adequacy ratio, loan to deposit ratio, return on asset, and net profit margin have contribution to stock return equal to 27,23% and the rest 72,77% influenced by other factor which not in this research.

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