Global and Stochastic Analysis
Vol. 5 • No. 5 • Special Issue 2018

MUK PUBLICATIONS

EVIEWS ANALYSIS : DETERMINANT OF BANK PROFITABILITY AND IT'S IMPLICATION ON STOCK RETURN (EMPIRICAL STUDY AT BANKING IN INDONESIA STOCK EXCHANGE 2010-2014 PERIOD)

LUQMAN HAKIM AND SHAFENTI

Abstract: This study aims to analyze empirically determinant Profitability of banking Return On Assets (ROA) and its implications to Return Shares of commercial banks listed on the stock exchanges of Indonesia during the period 2010-2014 using panel data regression model. Based on the empirical results, for determinants of banking profitability, Non Performing Loans (NPL), Loan to Deposit Ratio (LDR), Capital Adequacy Ratio (CAR), Net Interest Margin (NIM) and Operational / Operating Revenues (BOPO) significant at a significant level of á (0.10). Tests together show that NPL, LDR, CAR, NIM, and BOPO variables have a significant effect on Return On Assets (ROA) The result of the research on the implication of Return to Stock shows that NPL, CAR, NIM, BOPO and ROA variables significantly influence while variable LDR affects the Return to Bank shares is not significant, then the role of ROA as Full Mediating LDR against Stock Return. Tests together concluded that NPL, LDR, CAR, NIM, BOPO and ROA variables together significantly influence the Return of Shares

Introduction

Banking institutions in Indonesia has a very important role in the national economy and also as a financial intermediary of the State. One of the role of banking institutions in Indonesia is to keep the economic cycle running as it should.

According to Riyadi (2006) Return on Assets (ROA) is profitability ratio which shows comparison between Profit (before tax) with total bank asset, this ratio shows the level of efficiency of asset management performed by the bank concerned.

Profitability is the main objective to be achieved by each Bank of conducting banking business activities.

If the Return on Assets (ROA) increases, then the profitability level of the company will also increase, so the ultimate impact is the increase in profitability enjoyed by shareholders (Husnan, 2006). Therefore Return on Assets (ROA) is the right ratio used to measure the effectiveness of a Bank of generating profits by utilizing its assets.

Based on data sourced from infobank on the 29 commercial banks listed on the Indonesia Stock Exchange (IDX) period 2010-2014 can be concluded that there are banking that have Return on Assets (ROA) above average or it can be said that the Bank is in the category healthy, but there are Banking that still have Return on Assets (ROA) below average or it can be said that the Bank is in an unhealthy category.

Keywords: Profitability, NPL, LDR, CAR, NIM, BOPO, ROA, Stock Return

The Problem Formulation

The formulation of the problem in this study are as follows :

1. Is there any effect of non performing loan (NPL) on profitability?
2. Is there any effect of loan to deposit ratio (LDR) to profitability (ROA)
3. Is there any influence of capital adequacy ratio (CAR) on profitability (ROA)?
4. Is there any effect of net interest margin on profitability?
5. Is there any effect of BOPO on profitability?
6. Is there any effect of non performing loan on stock return?
7. Is there any effect of loan to deposit ratio (LDR) on stock return?
8. Is there any influence of capital adequacy ratio (CAR) to stock return?
9. Is there any effect of net interest margin (NIM) on stock return?
10. Is there any influence of operational cost / operating income (BOPO) on stock return?

Research Purposes

The research objevtive to be achieved from this study, namely :

1. To determine effect of non performing loan (NPL) on profitability
2. To determine effect of loan to deposit ratio (LDR) to profitability (ROA)
3. To determine influence of capital adequacy ratio (CAR) on profitability (ROA)
4. To determine effect of net interest margin on profitability
5. To determine effect of BOPO on profitability
6. To determine effect of non performing loan on stock return
7. To determine effect of loan to deposit ratio (LDR) on stock return
8. To determine influence of capital adequacy ratio (CAR) to stock return
9. To determine effect of net interest margin (NIM) on stock return
10. To determine influence of operational cost / operating income (BOPO) on stock return

Literature Review

Arbitrage Pricing Theory developed by Stephen Ross in 1976 known as APT. This theory uses the idea that two investment opportunities having identical characteristics can not be sold at different prices. APT Three factors Introduced by Fama& French -1992 hypotheses where SML should have three factors. Namely market risk, the size of the firm is measured by market value of equity and book to value risk of multi factor stock market value (B / M). The multi factor APT was introduced by Chen, Roll, Ross (1998) who chose a macroeconomic factor device that affected the company's stock.

Efficiency Market Hypothesis (EMH)

The first were expressed by Fama (1970). Efficient capital markets are defined as markets whose prices of securities-securities have reflected all relevant and available information. The sooner the new information is reflected on the price of securities, the more efficient the capital markets are.

Fama further divides efficient market hypothesis in the form of weak, half strong and strong.

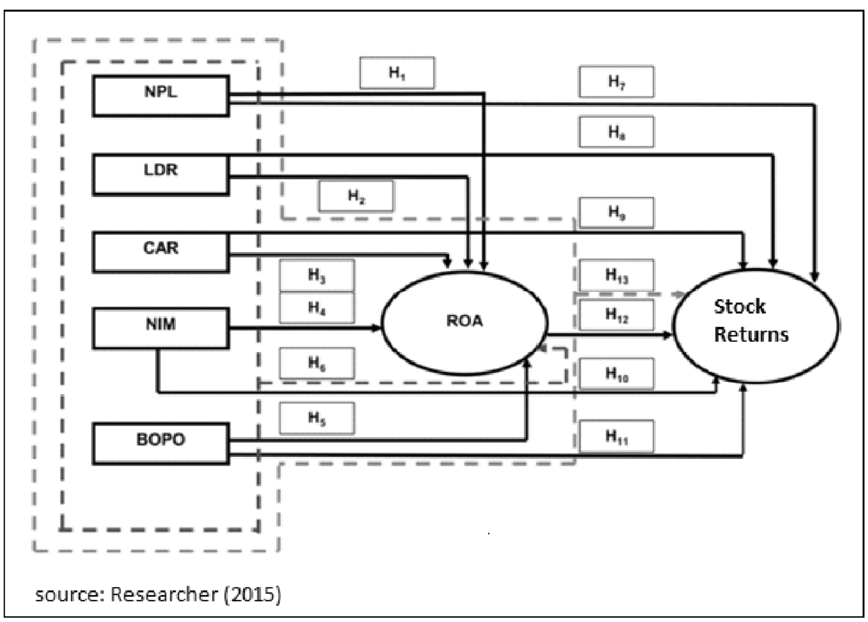
Free Cashflow Hypothesis

This theory was first proposed by Michael C. Meckling (1986) .Who asserted by the existence of high free cash flow will encourage to pay higher dividends.

Capital structure theory has relationship to the implementation of credit distribution and profitability performance and Return of stock :

1. Modigliani and Miller with taxes assume the stock price of a company will reach its maximum value if the company fully uses debt: Brigham and Houston (2006: 37).
2. Trade with theory was built to improve Modigliani and Miller's capital structure theory about tax conditions, where the use of debt would provide tax-saving benefits. In view of this theory the stock issuance will keep away from the optimal point and will provide bad news for investors.
3. Agency Theory also supports the use of debt because one way to resolve conflicts between owner and management on capital structure agency theory is to increase funding through debt. The use of debt is expected to reduce agency conflict.

Conceptual Model



source: Researcher (2015)

Figure 1: Conceptual Model

Research Methodology

Method

Data processing by panel data regression method using clausal associative research design. In addition, this study is also an exploratory research that aims to explain the causal relationship and test the hypothesis. This research is also a quantitative research using statistics as the main analytical tool.

Population and Sample

The population of this study are commercial banks listed on the BEI in the period 2010 s.d. 2014. At this time there are 40 banks listed BEI as population. Of the total population is taken 29 Bank as a sample of the criteria used

Analysis Technique

The panel data regression model is selected by the following test:

a. Chow- Test

   Chow-test is performed to test the significance of Fixed Effect Methods in order to know whether the Fixed Effect Method (MET) is better than Ordinary Least Square (OLS).

b. Hausman-Test

   Hausman tests a statistical test to choose whether to use fixed effect or random effect.

c. Lagrange Multiplier-Test

   Lagrange multiplier (LM) -Test is done to find out whether the random effect model is better than the common effect method.

Model of linear regression equation of panel data onto empirical model one: can be writes as follows:

$$Y_{1it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \beta_5 X_{5it} + \varepsilon_{it}$$

The model of the linear regression equation of the second empirical model panel data: can be writes as follows:

$$Y_{2it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \beta_5 X_{5it} + \beta_6 X_{6it} + \varepsilon_{it}$$

where :

β_0 = Intercept
β_1 = Coefficient NPL
β_2 = Coefficient LDR
β_3 = Coefficient CAR
β_4 = Coefficient NIM
β_5 = Coefficient BOPO
β_6 = Coefficient ROA
ε_{it} = Error

Result and Discussion

Result

Model 1 (Profitability /ROA)

Testing Panel Data

Chow test :Selest Fixed Effect

Hausmantest :SelectFixedEffect

LMtest : Select Random

Based on the test data panel model selected Fixed Effect with panel data regression results as follows:

Table 1
Summary of ROA Panel Data Regression Test Results

Dependent Variable: ROA?
Method: Pooled EGLS (Cross-section weights)
Date: 06/11/15 Time: 19:57
Sample: 2010 2014
Included observations: 5
Cross-sections included: 29
Total pool (balanced) observations: 145
Linear estimation after one-step weighting matrix
White cross-section standard errors & covariance (d.f. corrected)
WARNING: estimated coefficient covariance matrix is of reduced rank

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-811.5279	287.3643	-2.824039	0.0056
NPL?	0.456692	0.144352	3.163747	0.0020
LDR?	0.748863	0.236746	3.163153	0.0020
CAR?	-0.171828	0.066274	-2.592687	0.0108
NIM?	0.082433	0.045984	1.792637	0.0758
BOPO?	-2.051576	0.451746	-4.541435	0.0000
Fixed Effects (Cross)				
_BRIAGRO--C	4.293181			
_BANKMNC--C	19.08253			
_BANKCAPITAL--C	-2.990634			
_BANKEKONOMI--C	-2.353533			
_BCA—C	-22.79259			
_BANKBUKOPIN--C	-3.236613			
_BNI—C	-12.09413			
_BANKPARAHYANGANC	2.517121			
_BRI—C	-11.70927			
_BTN—C	2.009405			
_BANKMUTIARA--C	19.88623			
_BANKDANAMON--C	1.417402			
_BANKPUNDI--C	38.79752			
_BANKKESWAN--C	13.47447			
_BANKMANDIRI--C	-19.58545			
_BANKBUMIARTA--C	0.558424			
_BANKCIMB--C	-1.853664			
_BII—C	6.651986			
_BANKPERMATA--C	1.787861			
_BANKSWADESI--C	-11.39444			
_BTPN—C	9.223443			
_BANKVICTORIA--C	-9.726626			
_BANKARTHAGRAHA--C	4.496754			
_BANKMAYAPADA--C	-0.705288			
_BANKWINDU--C	2.677180			
_BANKMEGA--C	-4.632315			
BANKOCBC--C	-5.887569			
_BANKPANIN--C	-5.342955			
_BANKSAUDARA--C	-12.56844			

Effects Specification

Cross-section fixed (dummy variables)

Weighted Statistics

R-squared	0.959000	Mean dependent var	285.4816
Adjusted R-squared	0.946811	S.D. dependent var	243.4221
S.E. of regression	9.583547	Sum squared resid	10194.72
F-statistic	78.67649	Durbin-Watson stat	2.083163
Prob(F-statistic)	0.000000		

Unweighted Statistics

R-squared	0.687931	Mean dependent var	84.19648
Sum squared resid	11439.10	Durbin-Watson stat	1.614901

Source: Eviews9

Based on table 9 can be formulated simultaneously the panel data regression model as follows:

$ROA = [C_i 811.5279] + .456692 NPL + 0.748863\ LDR$ - $0.171828 CAR$ + $0.082433 NIM – 2.051576\ BOPO$

Model 2 (Fund Adequacy Ratio)

Testing Panel Data

Chow Test: SelectFixed Effect

HausmanTest: :Select Fixed Effect

LM Test: Select Random Effect

Table 2
Summary of Regression Test Results of Stock Return Panel Data

Dependent Variable: RS?
Method: Pooled EGLS (Cross-section weights)
Date: 06/09/15 Time: 16:42
Sample: 2010 2014
Included observations: 5
Cross-sections included: 29
Total pool (balanced) observations: 145
Linear estimation after one-step weighting matrix
White cross-section standard errors & covariance (d.f. corrected)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-94.43836	23.16861	-4.076135	0.0001
NPL?	0.051821	0.011548	4.487330	0.0000
LDR?	-0.025000	0.022236	-1.124300	0.2633
CAR?	-0.004192	0.001001	-4.188373	0.0001
NIM?	-0.035248	0.008996	-3.918367	0.0002
BOPO?	0.219287	0.015046	14.57433	0.0000
ROA?	-0.098929	0.005159	-19.17530	0.0000
Fixed Effects (Cross)				
_BRIAGRO—C	0.264497			
_BANKMNC—C	-0.226284			
_BANKCAPITAL--C	0.285923			
_BANKEKONOMI--C	-0.165032			
_BCA—C	-0.417924			
_BANKBUKOPIN--C	0.106182			
_BNI—C	-0.096613			
_BANKPARAHYANGAN--C	-2.57E-05			
_BRI—C	0.379244			
_BTN—C	0.081807			
_BANKMUTIARA--C	0.648273			
_BANKDANAMON--C	2.45E-05			
_BANKPUNDI--C	-3.017718			
_BANKKESAWAN--C	0.517949			
_BANKMANDIRI--C	-0.270147			
_BANKBUMIARTA--C	0.004403			
_BANKCIMB—C	0.360222			
_BII—C	0.053849			
_BANKPERMATA--C	0.112583			
_BANKSWADESI--C	0.493373			
_BTPN—C	0.417313			
_BANKVICTORIA--C	0.769910			
_BAKARTHAGRAHA--C	-0.006685			
_BANKMAYAPADA--C	0.086096			
_BANKWINDU--C	0.124874			
_BANKMEGA--C	-0.012392			
_BANKOCBC--C	-0.254578			
_BANKPANIN--C	0.077175			
_BANKSAUDARA--C	-0.316299			

Effects Specification

Cross-section fixed (dummy variables)

Weighted Statistics

R-squared	0.988006	Mean dependent var	3.887136
Adjusted R-squared	0.984299	S.D. dependent var	4.016012
S.E. of regression	0.361455	Sum squared resid	14.37148
F-statistic	266.5053	Durbin-Watson stat	1.772696
Prob(F-statistic)	0.000000		

Unweighted Statistics

R-squared	0.945438	Mean dependent var	1.774897
Sum squared resid	34.76409	Durbin-Watson stat	1.103405

Sumber: data diolah dengan *eviews* 8

Based on table 2 can be formulated simultaneously the panel data regression model as follows:

RS= [C_i- 94.43836] + 0.051821NPL – 0.025000 LDR - 0.004192 CAR – 0.035248NIM + 0.219287 $BOPO$ – 0.098929ROA

Discussion

Determinant Profitability (ROA)

a. The Influence of Non Performing Loan (NPL) to Profitability (ROA)

The Non Performing Loan (NPL) variable affects the Return on Assets (ROA) positively and significantly. This empirical finding is incompatible with the research hypothesis. The positive test results give meaning that if Non Performing Loan (NPL) increases while the other variable remain (not change), then The Influence of Non Performing Loan (NPL) to Profitability (ROA period 2010-2014 will increase. Banking Companies has a large Credit Loss Risk from disbursement of credit, with a large loan disbursement can result in large profits.

b. Effect of Loan to Deposit Ratio (LDR) on Profitability (ROA)

Loan to Deposit Ratio (LDR) variable has positive and significant effect of ROA. The positive test results give meaning that the higher LDR ratio will cause banking profitability performance will increase. The results of this study are in line with the results of previous research conducted by Guna (2013), Subandi and Ghozali (2013) and Dewi, Herawati and Sulindawati (2015). Partially known that Loan To Deposit Ratio (LDR) has a significant positive effect on ROA. The results of this study indicate that if the ability of banks of distributing credit to third party funds collected is high, the higher the credit given by the bank and will increase the bank's profit in question, in other words the increase in Loan to Deposit Ratio will increase the Return on Asset, so the financial performance of the bank will be better with the assumption that banks are able to channel credit effectively so that the amount of bad loans will be small. Loan to Deposit Ratio (LDR) shows the ability of banks to extend credit from third parties to creditors (the public). This result is not in accorandce with the concept of liquidity theory that the more funds lent (lower liquidity), the higher the profitability (bank performance, ROA). High Loan to Deposit Ratio (LDR) indicates the more risky condition of bank liquidity, otherwise the lower LDR indicates less effective bank in distributing credit to the public. This effectiveness will have an impact on the efficiency of the bank, since the bank's operating income is mostly from interest income on loans or funds lent to the community.

c. The Influence of Capital Adequacy Ratio (CAR) to Profitability (ROA)

Capital Adequacy Ratio (CAR) variables has a negative and significant effect on ROA. This empirical finding does not fit the hypothesis. Negative test results give meaning that Capital Adequacy Ratio (CAR) shows the ability of bank capital in maintaining the possibility of risk of loss of business activity. But the effect given was not significant to the performance of the bank. This research is in line with the results of research according to Purwoko and Sudiyatno (2013)

d. Effect of Net Interest Margin on Profitability (ROA)

Variable Net Interest Margin has positive and insignificant effect of profitability (ROA). Positive test results give meaning that The greater Net Interest Margin of a bigger bank Return on Assets obtained by the bank. These findings supports the results of research by Purwoko and Sudiyatno (2013) Net Interest Margin (NIM) shows the ability of bank management in managing its productive assets to generate net interest income. The greater the interest income managed by the bank, the possibility bankdalam problematic conditions smaller. so the greater the NIM of a bank, the greater the performance of the bank (ROA). In accorandce with PBI No.5 of 2003, one proxy of market risk is interest. So the extent to which changes from interest rates will have an impact on bank earnings, that's the market risk. Interest rates in this case are the funding and lending rates, so the NIM is measured from the interest rate difference in absolute form. The difference between the two is the total cost of interest (interest cost) with the total interest cost of the loan (income flower). The size of the NIM will have an impact on the bank's profit and loss, which ultimately affects the profitability of the bank. If the difference between the interest rate of funding and the low loan interest rate means the NIM is low, then the market risk is high, and vice versa. This difference in interest rates can be negative (negative spread) if the lending rate is lower than the funding rate (funding). The results of this study should be addressed by management by maintaining a positive spread in order to increase bank profitability, resulting in increased bank performance.

e. The Effect of BOPO on Profitability (ROA)

Operational Cost Variables and Operating Income have negative and significant impact on profitability (ROA). This empirical finding is consistent with the research hypothesis. Negative test results give meaning that with high increase in BOPO make bank inefficient and have implication to decrease ROA. The results of this study are in line with the findings of the study of Dewi, Herawati, and Sulindawati (2015), and Purwoko and Sudiyatno (2013) which revealed that ROA has a negative and significant effect on ROA.

Implications of Stock Returns

a. The Effect of Non Performing Loan on Stock Return

Variable Non performing Loan has positive and significant effect of Stock Return. Negative test results give the meaning that the more problematic credit the opportunity of banks in obtaining profit will be less so that with high NPLs in the banking investors will not be interested to buy shares because the profits will be small but with the largest asset investors see in terms of assets ad so that even if the value of NPL is high investors still feel safe in investing so that NPL does not become a benchmark of investors in taking decision. Research results supported by Research conducted by Agustina (2014) which shows that the NPL has a positive effect on Stock Return.

b. Effect of Loan Deposit to Ratio (LDR) on Stock Return

Variable Loan Deposit to Ratio has negative and not significant effect of Stock Return. Negative test results to give meaning that the higher LDR ratio shows the higher the credit given by the bank which means there will be an increase in interest in the credit that impacts on the high profit of the bank concerned, so it can be said the financial performance of the bank increases, in other words Loan to Deposit Ratio (LDR) will increase stock return. This is because banks have recently decided to channel lending rates in order to increase income from the credit interest sector. With increased revenue will affect the company's earnings. However, if viewed from the negative results, this is because the income sector is obtained from loans / credits given to other parties. Loans are given the credit risk, namely bad debts that can affect investor confidence in choosing the company to be invested capital. With the low trust in 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. The result of this research is in line with other research conducted by Liu Jie (2011) which stated that LDR has negative and significant effect to stock return. This is because investors perceive the income earned from credit given to credit risk, ie bad debts with higher proportion of non-current loans and doubtful credit, it is able to influence investor confidence in choosing a company to be used as investment land. With the low trust in investors is feared stock prices will also go down and there is capital loss so that investors do not get a return in accorandce with expectations.

c. Influence of Capital Adequacy Ratio (CAR) to Stock Return

Capital Adequacy Ratio variable has a negative and significant effect to Stock Return. This empirical finding is incompatible with the research hypothesis. Negative test results give meaning that Capital Adequacy Ratio (CAR) is one indicator of bank capital health. Capital is a very important factor of the development of bank business. Capital also serves to finance the operation, as an instrument to anticipate risks and as a tool of business expansion.Capital Adequacy Ratio (CAR) shows how much the total assets of banks that contain risks (credit, , securities, bills with other banks) participate bank financed. Therefore, with the higher Cap ratio Adequacy Ratio (CAR) if not followed by prudent risk management can adversely affect corporate value through declining stock prices. (Devitra, 2013) and according to Maulana, Salim and Aisjah (2015) that bank capital is measured by Capital Adequacy Ratio (CAR) ratio having a negative and significant effect on Bank Stock Price.

d. Effect of Net Interest Margin (NIM) on Stock Return

Variable Net Interest Margin has a negative and significant effect on Stock Return. This empirical finding is incompatible with the research hypothesis. Negative test results give the meaning that the higher the NIM ratio can cause the Bank's Share Price to decrease. Theoretically, this empirical evidence can be explained that with the increasing NIM ratio indicates that the bank is inefficient in its operations and risk management of banks that do not meet prudential banking principles. Inefficient bank operations and low bank risk management can have a negative impact on bank stock prices in the stock market. (Devitra, 2013). Similarly, according to Syauta and Widjaja (2009) Ratio NIM has no effect on the volatility of banking stock returns caused by cases subprimemortgage.Sehingga abnormal Return Stock.

e. Influence Operational Cost / Operating Income (BOPO) on Stock Return

Operational Cost / Operating Income Variables has positive and significant effect of Return to Share. This empirical finding is incompatible with the research hypothesis. The positive test results mean that the higher the BOPO ratio indicates the more efficient the operational cost management performed by the bank. Operational costs that can be saved, will directly increase operating profit. A good operating profit reflects a healthy company's performance and has a higher profit outlook, which will drive stock prices up. The higher the stock price, the more will increase the difference between the acquisition price of its closing price (margin), which means that the Stock Return is increasing. With these arguments, the authors argue that BOPO is supposed to have a positive and significant effect on the Return of Shares, and this provides the validity of the eleventh hypothesis (H11). (Al Azhar, 2013)

f. Influence Return on Asset (ROA) on Stock Return

Variable Return on Asset has negative and significant effect of Stock Return. This empirical finding is incompatible with the research hypothesis. Negative testing results give the meaning that companies that get larger ROAs are inconsistent with larger Stock Returns. The results of this proof indicate that companies with good ROA or increased conditions in the company do not have the potential to attract investors by investors. Investors have confidence in the potential for shares in the company will improve although at some time profitability is not good. This condition makes the Company's Share Price to increase so that the increase in ROA will not affect the Return to the company's shares (Savitri, 2013). Where at the bank the interest rate is used for the payment of assets or loans thus the determination of interest rates to be high, so the stock price is low and the effect on profitability becomes very low b1.

Determinant Profitability (ROA) and Its Implication On Stock Return (Combined discussion)

The ROA determinant model shows that all independent variables, which consist of NPL, LDR, CAR, NIM and BOPO significantly affect the ROA with a significant level of 10%. The second model which is an implication to Stock Return, with independent variables consisting of NPL, LDR, CAR, NIM, BOPO, and ROA, only LDR variable has no significant effect at 10% significant level (Little, 2007)

Non Performing Loan (NPL) variable has positive and significant effect of Returnon Asset (ROA) and Return of Banking stock. Where the role of Returnon Asset (ROA) is inconsistentpartial mediators the influence of Non Performing Loan (NPL) to Return Shares at significant level = 0.05 (5%). This indicates that the increase in the ratio of bad debts of banks causesReturnon Asset (ROA) of banks to increase and its implications on the Return to banking stocks also increased.

Table 3
Determinant Profitability (ROA) and Implications on Stock Return

Independent Variable	*Model 1 (ROA)*		*Model 2 (Stock Returns)*	
	coefficient	*Significant / No Significant*	*coefficient*	*Significant / No Significant*
NPL	0.456692	Significant*	0.051821	No Significant *
LDR	0.748863	Significant*	-0.025000	Significant*
CAR	-0.171828	Significant*	-0.004192	Significant*
NIM	0.082433	Significant*	-0.035248	Significant*
BOPO	-2.051575	Significant*	0.219287	Significant*
ROA	-	-0.098929	Significant*	

Note: *Sifnificant α = 5%, **Significant α = 10%,

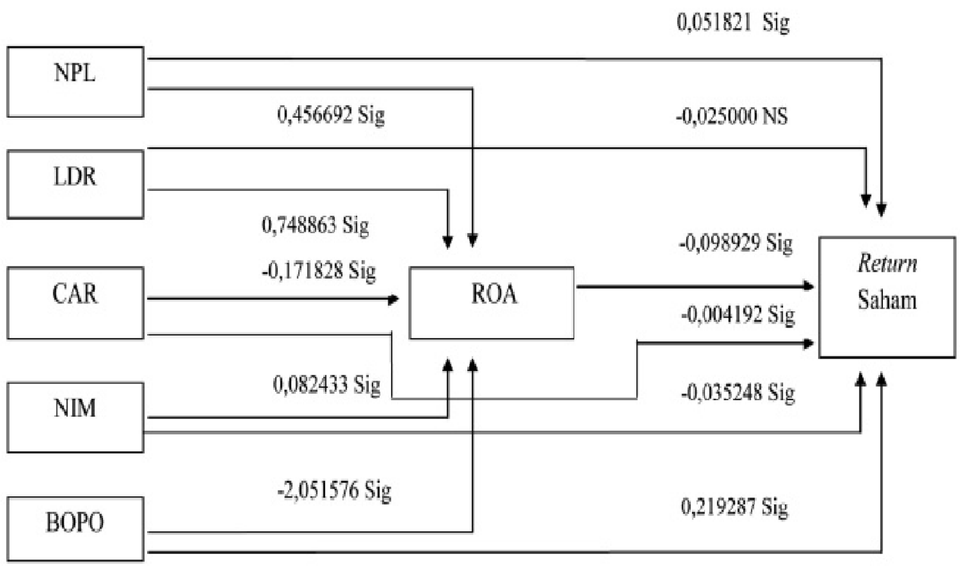


Figure 2: Determinants of Profitability (ROA) and Implications of Stock Returns

Loan to Deposit Ratio (LDR) has positive and significant influence to Return over Asset (ROA), but it does not have an effect on Stock Return. The role ofReturnon Asset (ROA) is a full mediator of the influence of the Loan to Deposit Ratio (LDR) to the Stock Return at a significant level a = 0.10 (10%), indicating that the increase in the Loan to Deposit Ratio (LDR) ratio will result in Returnon Asset (ROA) the bank increased, but the implication did not affect the increase of banking stock return. There is a negative and insignificant effect of the liquidity ratio represented by LDR (Loan to Deposit Ratio) on Stock Return. This is because banks have recently decided to channel lending rates in order to increase income from the credit interest sector. Of course, with high revenue from the sector can increase banking revenue. With increased revenue will affect the company's earnings.

However, if viewed from the negative results, this is because the income sector is obtained from loans / credits given to other parties. Loans are given the credit risk, namely bad debts that can affect investor confidence in choosing a company to be invested capital. With the low trust in investors is feared Return Shares will also fall and will cause losses in the form of capital loss is the difference in loss from stock price transactions. So that investors do not get the rate of return that is in line with expectations.

Capital Adequacy Ratio (CAR) variables has a negative and significant effect on Returnon Assets (ROA) and Return of Banking Shares. Where the role of Return on Asset (ROA) is an inconcistentpartial mediator influence Capital Adequacy Ratio (CAR) to Return Shares at a significant level a = 0.05 (5%). This shows that without having to go through the ROA, then investors can directly invest funds.

Variable Net Interest Margin (NIM) has a positive and significant impact on Returnon Asset (ROA) and has a negative and significant effect on the Return of Banking Shares. Where the role of Returnon Asset (ROA) is a partial mediator influences Net Interest Margin (NIM) to RS at significant levela = 0.10 (10%). This shows that the increase in Net Interest Margin (NIM) ratio causes the Bank's Return on Assets (ROA) to increase and the implication of Return on Shares of banks decreased.

Variable Operational Expense / Operating Income (BOPO) has a negative and significant effect on Return on Assets (ROA) and has a positive and significant impact on the Return of Banking stock. Where the role of Return on Asset (ROA) is partial mediators influences of BOPO to Return to Share at significant level a = 0.05 (5%) This indicates that the increase of Operating / Operating Revenue (BOPO) ratio causes the Return on Assets (ROA) and the implication of the Return of banking stocks have increased Variable Operational Expense / Operating Income (BOPO) has a negative and significant impact on Return on Assets (ROA) and have a positive and significant impact on the Return of Banking stock. Where the role of Return on Asset (ROA) is partial mediators influences of BOPO to Return to Share at significant level a = 0.05 (5%) This indicates that the increase of Operating / Operating Revenue (BOPO) ratio causes the Return on Assets (ROA) and the implication of Return of banking stock has increased.

Conclusions

1. The Non Performing Loan (NPL) variable affects profitability (ROA) positively and significantly, so it is not in line with hypothesis 1.
2. The Loan to Deposit Ratio (LDR) variable affects profitability (ROA) positively and significantly, so that in line with hypothesis 2.
3. Capital Adequacy Ratio (CAR) variables affects profitability (ROA) negatively and significantly, so it is not in line with hypothesis 3.
4. Variable Net Interest Margin (NIM) affects profitability (ROA) positively and significantly, so that in line with hypothesis 4.
5. Operational / Operating Revenue (BOPO) variable affects profitability (ROA) negatively and significantly, so that in line with hypothesis 5.

6. The NPL, LDR, CAR, NIM, and BOPO variables together significantly affect the Return on Assets (ROA). The results of this study are in line with hypothesis 6.
7. Non Performing Loan (NPL) variable influences Stock Return positively and significantly. Where the role of Returnon Asset (ROA) is an inconsistent partial mediator the influence of Non Performing Loan (NPL) to Return Shares at significant level = 0.05 (5%). so it is not in line with hypothesis 7.
8. Loan to Deposit Ratio (LDR) has positive and significant influence over Returnon Asset (ROA), but it does not have an effect on Stock Return. The role ofReturnon Asset (ROA) is a full mediator of the influence of Loan to Deposit Ratio (LDR) to the Stock Return at a significant level a = 0.10 (10%). so it is not in line with hypothesis 8.
9. Capital Adequacy Ratio (CAR) variables has a negative and significant impact on Returnon Asset (ROA) and ReturnSaham banking. Where the role of Returnon Asset (ROA) is inconcistentpartial mediator effects of Capital Adequacy Ratio (CAR) to ReturnSaham at significance level = 0.05 (5%) .So not in line with hypothesis 9.
10. Variable Net Interest Margin (NIM) has a positive and significant impact on Returnon Asset (ROA) and has a negative and significant effect on the Return of Banking Shares. Where the role of Returnon Asset (ROA) is a partial mediator influences Net Interest Margin (NIM) to Return Shares at significant level a = 0.10 (10%). So it is not in line with hypothesis 10.
11. Operational / Operating Income Variable Variables (BOPO) has a negative and significant impact on Returnon Asset (ROA) and have a positive and significant effect on the Return of Banking Shares. Where the role of Return on Assets (ROA) is a partial mediator influence BOPO to Return Shares at a significant level a = 0.05 (5%). So it is not in line with hypothesis 11.
12. Variable Return on Assets (ROA) affects Stock Return negatively and significantly. So it is not in line with hypothesis 12
13. All Independent Variables consisting of: NPL, LDR, CAR, NIM, BOPO and ROA together significantly influence the Return of Share of Banking Companies listed on the Indonesia Stock Exchange in the period 2010-2014. Of the six Independent Variables affecting Stock Return there is only one Loan to Deposit Ratio (LDR) variable which is not significantly influential So it is not in line with hypothesis 13.

Suggestions

To increase Profitability (ROA), managers must pay attention to existing capital / asset lest there are idle assets, so it can take advantage of opportunities available to give credit to the community in this case increase the ratio of LDR so indirectly will increase the Return to Share which at eventuallytheinvestorswillbeinterested.

For investors to not only pay attention to the six variables for investment decision making, because the six variables studied have not represented all the assessment of banksoundness.

Besides that, it is important to note that external factors related to bank interest rates, inflation rate, exchange rate and central bank policy

References

1. Akerlof, G.A, (1970)."The Market Lemon's Quality Uncertainty and the Market Mechanisms, "*Quarterly Journal of Economics* 84, August, pp.448-500
2. Almilia & Herdiningtyas, (2005), "CAMEL Ratio Analysis on Prediction of Problematic Conditions at Banking Institutions Period 2000-2002 "Journal of Accounting and Finance, Vol.7, No.2, November 2005
3. Al Azhar L (2013) "Effects of CAR, BOPO and LDR on the Return of Banking Industry Share Period 2006-2008 ". Journal of Accounting Vol. 2 No. 1, October 2013: 63-73
4. Al Diva (2013),"Influence Analysis of Ratio of CAR, NPL, BOPO, LDR and NIM to Profitability (ROA). Journal Widyatama Repository Home
5. Ang, Robert. (1997). Smart Book Smart Indonesia Capital Market, Jakarta: Media Staff Indonesia.
6. Ariefianto, Doddy Moch, (2012). Econometrics Essence and Application by Using Eviews, Publisher Erlangga, Jakarta.
7. Achmad, Tarmidzi and Kusuno, Willyanto Kartiko. (2003). Analysis of Financial Ratios as Indicators in Predicting Bankruptcy Potential of Banking in Indonesia. Economic and Business Media, Vol. 15. No. 1.
8. Aryati, Titik and Hekinus Manao,(2000), Financial Ratios As Predictors of Troubled Banks In Indonesia, National Symposium on Accounting, Jakarta.
9. Adjiputro, Olga Asihjati, (2015), Determinant Return On Equity (ROE) And Its Implications. On Return of Stock (StudiEmpiris Pharmaceutical Company Listed on Indonesia Stock Exchange), Dissertation of Doctoral Program of Management Science of Persada University Y.A.I
10. Ayuso, Juan and Blanco, Roberto (2001)."Has Financial Market Integration Increased During the Nineties?" *Journal of International Financial Markets, Institutions and Money* Vol. 11 pp.265-287
11. Almumani, Mohammad Abdelkarim. (2014). "Determinants of Equity Share Prices of the Listed Banks in Amman Stock Exchange: Quantitative Approach. Vol. 5 No.1; January 2014. *International Journal of Business and Social Science.* King Saud University – Kingdom of Saudi Arabia.
12. Athanasoglou, Panayiotis P. et al (2008)" Determinants of Bank Profitability in the South Eastern European Region".*Munich Personal RePEc Archive Paper* No. 10274 Posted 20, Sept 2008. Athens University of Economics and Business
13. Aviliana, Siregar, MaulanaandHasanah (2015), "The Impact of Macroeconomic Condition on The Bank's Performance in Indonesia". Journal of the Bulletin of Monetary Economics and Banking. Vol. 17 No. 4, April 2015
14. Adnyana, CandraSudhaandSuaranda, Ketut Alit (2016), "Influence of BOPO, Asset Growth and NPL on ROA "E-Journal of Accounting Udayana University14.3 (2016) Page 1616-1641. ISSN. 2302-8559
15. Budiman, Ignatius Sarto Kothson (2007), "Analysis of Profitability Relation With Stock Price of Food and Beverage Business Sector In Jakarta Stock Exchange. Journal The Winners Vol 8 No. 1, March 2007, 1-23
16. Brealey, R., Myers S., and A. Marcus. (2007). *Fundamentals of Corporate Finance*.5ThEdition.McGraw-Hill Ryerson.
17. Brealey.Richard A. Myers, Stewart C. and Alan J. Marcus (2008).Fundamentals of Company Management.Edition 5.Jilid 2. Publisher Erland, Jakarta
18. Bhattacharya, S, (1979), "Imperfect Information, Dividend Policy, and "The Bird in the hand Fallacy," *Bell Journal of Economics* 10, pp. 259-270
19. Beaver, W.H. (1989), *Financial Reporting: An Accounting Revolution*, Englewood Cliffs: NJ: Prentice-Hall Inc., Second Edition
20. Bodie, Z., Kane, A., Marcus, A.J., Perrak, S., and P. Ryan, (2014), *Investments 7th Edition*, McGraw-Hill Ryerson. Pp. 328-352

21. Brigham, E.F. and Houston, J.F. (2001).*Financial Management* , Jakarta: Erlangga. pp. 4-10
22. Brigham, E.F. and Houston, J.F. (2006). *Financial Management*, Jakarta: Erlangga.pp. 90-107
23. Bhagat, Sanjai, James A. Brickley, and Ronald C. Lease, (1985), "Incentive Effects of Stock Purchase Plan." *Journal of Financial Economics* 13, pp. 195-2
24. Bebchuck, Lucian; Kraakman, Reiner; and Triantis, George (1999), "Stock Pyramids, Cross-Ownership, and Dual Class Equity: The Creation and Agency Costs of Seperating Control from Cash Flow Rights," *NBER Working Paper* No. 6951
25. Boediono, Gideon, (2005), "Quality of Profit Studies Studies Influence of Corporate Governance Mechanisms and the Impact of Profit Management by Using Path Analysis. "National Symposium on Accounting VIII Solo. September 15-16
26. Carpenter, Robert E. (1994), "*Finance Constraints or free cash flow?*The impact of Asymmetric information on investment. P: 1-25
27. Conyon, M. (1997), "Corporate Governance and Executive Compensation."*International Journal of Industrial Organization*. 15 pp: 493-509
28. Conte, MA, Suegnor J (1991)."The Performance Effects of Employee Ownership Plans. In A.S. Blinder (ed) Paying for Production. *The Brookings Institution*. Washington DC. Pp. 245-294
29. Chen, N, Roll, R, and Ross, S. (1986). "*Economic forces and the stock markets*".Journal of Business. 59, pp.383-403
30. Chen, C.R, and Steiner, T.L, (1999), "Managerial Ownership and Agency Conflicts: A. Nonlinear Simultaneous Equation Analysis of Managerial Ownership, Risk Taking, Debt Policy, and Dividend Policy, *Financial Review* no. 34, pp. 119-136
31. Cruthley, C.E and R.S. Hansen, (1989), "A Test Of Theory of Managerial Ownership, Corporate Leverage, and Corporate Dividends, *Financial Management*, 36-46
32. Cheung, C, Sherman and ItzhakKrinsky (1994). Information Asymmetry and Underpricing of Initial Public Offerings: Further Empirical Evidence," *Journal of Business Finance and Accounting*, July p.739-747
33. Chilla, Stiady (2010). "Analysis of the influence of fundamental factors and systematic risk on stock prices of banks listed on the Indonesian stock exchange. "Journal of Gunadarma University, Jakarta.
34. Claessens, S,S. Djankov, J.P.H. Fan and L.H.P. Lang, (2000), "Expropriation of Shareholder: Evidence from East Asia. *Working Paper* no. 2088.World Bank.
35. Devitra, Joni (2013). "Financial Performance and Efficiency on Stock Return of Banking in Indonesia Stock Exchange Period Year 2007-2011 ".Finance and Banking Journal. Vol. 15 No. 1, June 2013
36. Dewi, Luh Eprima. Herawati, Nyoman Trisna. Sulindawati, Luh Gede Erni. (2015) "Analysis of NIM, BOPO, LDR, and NPL Influence on Profitability (Case Study At National Private Banks Listed In Indonesia Stock Exchange Period 2009-2013) E-Journal UniversitasGanesha.Vol Education 3. No.1
37. Davydenko, Antonina. (2010). "Determinants of Bank Profitability in Ukraine" Vol. 7.*Undergraduate Economic Review. American University in Bulgaria*
38. Dreca, Nada. (2013). "Determinants of CAR (Capital Adequacy Ratio) in Selected Bosnian Bank".*DumlupmarUniversitesiSosyalBilimler. Dergisi EYI* 2013 OzelSayisi.International University of Sarajevo.
39. Dendawijaya. (2009).Banking Management, Jakarta: Ghalia Indonesia Publisher.
40. Dhrymes, Phoebus, Irwin Friend and N. BulentGultekin, (1984), "A Critical Re-examination of the Empirical Eviandce on the Arbitrage Pricing Theory".*Journal of the Finance* 39. No 2. pp. 323-346
41. Donaldson, Gordon (1961), Corporate Debt Capacity, Boston: *Division of Research*, Harvard Business School,
42. De Jon, Abe and Ronald Van Dijk, (1999), "Determinants of Leverage and Agency Problem,"*Proceedings of Seminars at Tilburg University*
43. Eisenhardt, Kathleen M, (1989), "Agency Theory: An Assessment and Review," *Academy of Management Review* 14 (Jan) : 57-74.

44. Emery, D.R. and J.D. Finnerty (1997), *Corporate Financial Management*, Prentice Hall, Mew Yersey.
45. Fama, Eugene F.(1970). "Efficient Capital Markets.A Review of Theory and Empirical Work.*Journal of Finance.*Vol. 25.No.2, hal. 383-417
46. Fama, Eugene F. and Jensen, MC (1983), "Agency Problems and Residual Claims." *Journal of Law and Economics.*Vol XXVI. Avalaible from http://papers.ssrn.com
47. Fama, Eugene F.(1991). "Efficient Capital Markets II*," Journal of Finance.*Vol. 46 (December), hal. 1575-1617
48. Fama, Eugene F., and French, Kenneth R. (1993). "Common Risk Factors in the Returns on Stocks and Bonds". *Journal of Financial Economics* Vol. 33, No. 1, pp.3-5
49. Freund, William C, and Pagano, Michael, S,(2000) "Market Efficiency in Specialist Markets Before and After Automation," *The Financial Review* 35 , hal 79-104
50. Fabozzi, Frank.,Jand Modigliani, Franco (1996). *Capital Market; Institution and Instruments.*Penerbit Prentice Hall – 1996. Page 768
51. Guna, Rangga Patria.(2013), Factor analysis that affects bank profitability. Journal of Diponegoro University
52. Gitman, Lawrence J and Michael (2003). *Principles of Management Finance*. Twelfth Edition. Prentice Hall. pp.508
53. Guo, Kai and Stepnyan Vahram, (2011),"Determinants of Bank Credit in Emerging Market Economies", *Working Paper* WP/11/51, IMF
54. Home, James C. and John M. Wachowicz (2007). *Fundamentals of Financial: Management.* Principles of Financial Management. Translator: DewiFitriasari and Deny Arnos Kwary. Publisher Salemba Four, Jakarta.pp. 182
55. Haugens, Robert and Senbet, Lemma (1988), "New Perspectives and Information, Asymmetric and Agency Relationship," *Journal of Financial and Quantitative Analysis* (March).pp.263-270
56. Haugen, R.A. (2001), *Modern Investment Theory,* 3rd edition, Prentice Hall. New Yersey.
57. Hutagalung. E.Novelina, Djumahir and Ratnawati. Kusuma.(2013). "Financial Ratio Analysis on Commercial Bank Performance in Indonesia ".Journal of Management Applications. Vol. 11, No. 1
58. Husnan,Suadand Enny, Pudjiastuti (2006),"Fundamentals of Financial Management ", Edition Five, Yogyakarta: UPP STIM YKPN
59. Husnan, Suad. Financial Management (2008): Theory and Implementation Book 1, 4th Edition, BPFE Yogyakarta
60. Husnan, S (2015). Portfolio Theory and Investment Analysis. Fourth edition. Yogyakarta: BPFE
61. Hendarwin, Rizsania. (2013). "Analysis of the effect of bank soundness using RBBR component to stock price entering Indonesian stock exchange (BEI) 2008-2011 period. Indonesia Banking School, Jakarta.
62. Hardiyanti, (2012), "Influence of CAR, NPL, and LDR t ROA to state-owned Go-public bank in Indonesia ".Journal of Hasanudin University of Makassar.
63. Hasibuan, Malayu S.P. (2012). Banking Basics. PT. Bumi Aksara. Jakarta
64. Hartono, Jogiyanto, (2014), Portfolio Theory and Investment Analysis, EdisiKeduaYogyakarta : UPP AMP YKPN.
65. Holthausen, R.W, D.F. Larcker and R.G. Sloan, (1995), "Annual Bonus Schemes and Manipulation of Earnings," *Journal of Accounting and Economics* (August): 77-117
66. Herawaty, Vinola, (2008). "The Role of Corporate Governance Practices as Moderating Variables of Earnings Management Effect on Corporate Value. "National Symposium on Accounting XI, Pontianak. July 23-24
67. Jensen, M. and W. Meckling.(1976). "Theory of the Firm: Managerial Behaviour Agency Cost, and Ownership Structure". *Journal of Financial Economics,* Vol.3,No.4 pp.305-360. Avalaible from *http://papers.ssrn.com*
68. Jensen, Michael C, (1986), "Agency Cost of Free Cash Flows, Corporate Finance and Takeovers, *American Economic Review* 76: 323-329

69. James, C,(1987)."Some Evidence on the Uniqueness of Bank Loans" *Journal of Financial Economics* 19. Pp. 217-235

70. Jensen, M.C, and K.J. Murphy, (1990), "Performance Pay and Top Management Incentives," *Journal of Political Economy* 98/2 : 225-264

71. Jones, C.P. (1995) *Investments Analysis and Management*, New York, NY: John Wiley & Sons, Inc, Fourth Edition.

72. Jones, C.P. (1998) *Investments Analysis and Management*, New York, NY: John Wiley & Sons, Inc, Sixth Edition.

73. Jones, C.P. (2000) *Investments Analysis and Management*, New York, NY: John Wiley & Sons, Inc, Seventh Edition.

74. Kohn, A. (1993). *Punished by rewards.* New York: Houghton – Mifflin

75. Kuncoro, M. and Suhardjono, (2002), Banking Management: Theory and Applications, First Edition, Yogyakarta.

76. Kasmir, (2012).Banks and Other Financial Institutions. Jakarta: PT Raja GraffindoPersada

77. Keown, Arthur J. David F. Scott, Yr.JhonD.,Martin, and J. William P etty. (2005), *Basic Financial Management*, 10th edition, Prentice-Hall Inc, USA.

78. Kieso, E.D., Weygandt, J.J., and Warfield, D.T. (2008). Intermediate Accounting. 12th edition, Jakarta: Erlangga

79. Lindiasari, PalupiandUndartik, Sri (2015), "Profitability Analysis of Commercial Banks Go Public in Indonesia. Before and After Crisis: Internal and External Factors. Applied Quantitative Economics Journal Vol. 8 No. 2.August 2015

80. Little, Todd.D. "Structural Equation Modeling of Mediation and Moderation with Contextual Factors".*JournalCaptered 9 Little*, 2007/2/12 page 207

81. La Porta, R.F. Lopez, de-Silaness, A. Shleiferand R. Vishny, (1999), "Corporate Ownership Around the World,"*Journal of Finance* 59.(April) Pp.54: 471-518

82. La Porta, R.F. Lopez, de-Silaness, A. Shleiferand R. Vishny, (2000), "Agency Problems and Dividend Policies around the World,"*Journal of Finance* 59.(February) Pp. 1-34

83. Lintner,J, (1956), "Distribution of Incomes of Corporations among Dividends, Retained Earnings, and Taxes,"*American Economic Review* 46, pp.97-133.

84. Leland, Hayne and David Pyle (1977), Information Asymmetrics, Financial Stucture and Financial Intermediation," *Journal of Finance* 41, 93-105

85. Liu, JieandPariyaprasent, Witsaroot. (2011). "Determinants of Bank Performance: The Application of the CAMEL. Model to Banks listed in China's Stock Exchange from 2008 to 2011". *Research from Assumption University of Thailand*

86. Myers, S.C and N.S. Majluf (1984),"Corporate Financing and Investment Decisions When Firms Have Information, thatInvestors Do Not Have," *Journal of Financial Economics* 12, 187-221

87. Maulana, PanjiRizki. Salim, UbudandAisjah, Siti (2015), "Determinants of Listed Banking Share Price (2009-2012) in Indonesia Stock Exchange ", Multiparadigma Accounting Journal. P-ISSN 2086-7603, E-ISSN 2089-5879

88. Murphy, J.K, (1985), "Corporate Performance and Managerial Remuneration : An Empirical Analysis", *Journal of Accounting and Economics* 7: 11-42

89. Mawardi, W. (2005). Analysis of Factors Affecting the Financial Performance of Commercial Banks in Indonesia (Case Studies at Commercial Banks with Total Assets of less than 1 Trillion), Journal of Business Strategy, Vol. 14, No. 1

90. Mindrila, Andreea (2011). "Determinants of Bank Profitability in USA" *Journal Economic*

91. Mikrad,(2016)."Determinants of Banking Technical Efficiency and Its Implication on Stock Return (Empirical Study of Listed Banks in Indonesia Stock Exchange ") Doctoral dissertation of Management Science Program UniversitasPersada Indonesia Y.A.I

92. Mushtaq, Maryam, et.al. (2014). "Determinants of Commercial Banks Performance: Empirical Evidence from Pakistan. ISSN 2090-4274.*Journal of Applied Environmental and Biological Science*

93. Mahadwartha, P.A, (2002). Test of Agency Theory in Relationship Interdependence between Debt Policy and Dividend Policy.Simposium National Accounting V Indonesian Institute of Accountants 635-647

94. Mahadwartha, P.A, (2004). Supervision and Binding based on Institutional Internal Ownership, GadjahMada University, Dissertation, Unpublished.

95. Morck, Nakamura andShivdasani, (1988), "Management Ownership and Market Valuation: An Empirical." *Journal of Financial Economics*. 20, pp. 293-315.

96. Nusantara, Ahmad Buyung (2009). "Influence Analysis of NPL, CAR and BOPO on Bank Profitability (Comparison of Commercial Banks Go Public and Non Go Public Public Banks in Indonesia Period 2005-2007). Jurnal Magister ManajemenUniversitasDiponegoro

97. Nachrowi, Djalal Nachrowi and Usman, Hardius. (2006). A Popular Approach and Practical Econometrics for Economic and Financial Analysis, Institute of Publishers University of Indonesia, Jakarta.

98. Olalekan, Asikhia, Adeyinka, Sokefun, (2013). "Capital Adequacy and Banks' Profitability: An Empirical Evidence From Nigeria". *American International Journal of Contemporary Research,*Vol 3 No. 10,Oktober 2013

99. Purwoko, DidikandSudiyatno, Bambang (2013)."Factors Affecting Bank Performance (Empirical Study on Banking Industry in Indonesia Stock Exchange). Journal of Business Economics, March 2013, p. 25-39 ISSN: 1412-3126. University of Stikubank Semarang

100. Putri (2015) "Influence Analysis of RBBR Component as a Rating of Bank Soundness to Company Stock Price (Case Study on Banking Companies Go Public in Indonesia Stock Exchange 2009-2013) "JurnalUniversitasDiponegoro

101. Praditasari, Kurnia Windias. (2012). Effect Analysis of Health Level on Stock Price in Banking Companies that Go Public Period 2004-2008. In E-Journal Economics, Gunadarma University Repository.

102. Prasetyaningrum, Murni (2014), "Profitability and Stock Return: The Role of Moderation of Cash Flow Operation and Company Size. Journal of Economics and Business. Volume XVII No. April 1, 2014. ISSN 1979-6471

103 Prasanjaya, A.A. Yogi andRamantha, I Wayan (2013), "Profitability and Stock Return: The Role of Moderation of Cash Flow Operation and Company Size. Journal of Economics and Business. Volume XVII No. April 1, 2014. ISSN 1979-6471...

104. PalliamandShallhoub (2003),"The Phenomonology of Earning Management within of Confines of Agency Theory'.*Journal of Finance, Accounting and Management.*

105. Bank Indonesia Regulation Number 15/12 / PBI / 2013 concerning the Minimum Capital Requirement for Commercial Banks,

106. Raeskyesa,Siand. (2012). "Analysis of the effects of CAR, NPL, LDR, BOPO, and NIM on ROA ". Indonesian Banking Scholl, Jakarta.

107. Riyadi, Selamet. (2006). Banking Assets and Liability Management (third edition). Jakarta: *Lembaga Penerbit Fakultas Ekonomi Universitas Indonesia*

108. Reinganum, Marc R. (1981). "A New Empirical Perspective on the CAPM".*The Journal of Financial and Quantitative Analysis,* Vol. 16, No. 4, pp.439-462.

109. Roberto, Ercegovac. (2011) "Determinants of Bank Profitability in Croatia*" Croatian Operational Research Review.Vol 2.2011.Faculty of Economics, University of Split.Maticahrvatske 31, 21 000 Split*

110. Ross, Stephen A. (1976). "The Arbitrage Theory Of Capital Asset Pricing".*The Journal of Economic Theory,* Vol. 13, pp. 341-360

111. Ross, Stephen A. 1977 "The Determination of Financial Structure: The Incentive Signaling Approach." *Bell Journal of Economics* 8

112. Roll, Richard and Ross, Stephen A. (1980).*"*An Empirical Investigation of the Arbitrage Pricing Theory*". The Journal of Financial,* Vol. 35, pp.1073-1103

113. Ross, Stephen A., Randolph W., Westerfield, and Bradford D. Jorand. (2010) *Modern Financial Management, 8th edition*, McGraw-Hill Irwin

114. Reilly, Frank K. and Keith C. Brown.(2003). *Investment Analysis &PortofolioManagement*.Seventh Edition. South Western a division of Thomson Learning Ohio, USA.pp.292
115. Riyanto, Bambang, (2001). Fundamentals of Corporate Spending, Fourth Edition, Seventh Printing, BPFE Yogyakarta, Yogyakarta.
116. Raharjo, Dwi Priyanto Agung, Bambang, Setiaji and Syamsudin (2014),"Influence of Ratio of CAR, NPL, LDR, BOPO, and NIM to Performance of Commercial Bank In Indonesia ". Journal of Economic Resource Management. Vol 15 No. 2. December 2014
117. Savitri, DyahAyuandHaryanto, Mulyo (2013), "Influence Analysis of ROA, NPM, EPS and PER on Stock Return (Case Study on Food Sector Companies and Beverages Period 2007-2010). Journal of Diponegoro University. 3557.31 / 1
118. Sartono,Agus (2001). Financial Management Theory and Applications. Yogyakarta: BPFE - YOGYAKARTA....
119. Sujoko and Ugi. Soebiantoro. (2007). Effect of Share Ownership Structure, Leverage of Internal Factors and External Factors to Company Value. Journal of Management and Entrepreneurship. Vol. 9. (1). March: 41-48.
120. Suteja, Jaja (2015),"Determinant Return of Automotive Industry Shares and Components Listed on BEI ". Journal of TECHNOLOGY, Vol. 14 No.1, June 2015. Page 76-86. ISSN 1411-514 (print) ISSN 2355-7737 (online)
121. Spence,M, (1973). "Job Market Signaling," *Quarterly Journal of Economics* 87, August, pp. 355-374
122. Shleifer,AandR.W.Vishny,(1997), "Large Shareholders and Corporate Control," *Journal of Political Economy*, 96, 461-488
123. Sudiyatno, Bambang (2010), " Analysis of the Influence of Third Party Funds, BOPO, CAR and LDR on Financial Performance in the Banking Sector Go Public in Indonesia Stock Exchange (IDX) period 2005-2008 ". Journal of Dynamics of Finance and Banking. May 2010, p. 125-137. Vo. 2 No. 2 and ISSN: 1979-4878
124. Septiva,RitaandFalianny, L. Jade.(2012)."Analysis of the Influence of Ratio of CAR, NPL, BOPO, and LDR on Banking Profitability (Case Study of 10 Big Banks Based on Ranking of Listed Banking Asset at BEI Jakarta ": Atma Jaya Catholic University of Indonesia (ISSN: 19074913) Edition: No. 2 / Vol .7 / November 2012
125. Setyapurnama, YudiSantaraand A.M. VianeyNorpratiwi, (2006), Influence of Corporate Governance on Bond Rating and Bond Yield. "Journal of Accountancy and Business Vol: 7.No.2. August 2007: 107-108...
126. Sufian, Fadzlan.and Chong, RoyfaizalRazali(2008). "The Efficiency Effects of Bank Mergers and Acquisitions in Developing Economy": *International Journal of Applied Economics and Quantitative Studies* Vol. 1-4: 53-74
127. Sufian, Fadzlanand Chong, RoyfaizalRazali (2008)."Determinants of Bank Profitability in a Developing Economy: Empirical Evidence from the Philippines".*Asian Academy of Management Journal of Accounting and Finance*.Vol. 4 No. 2, 91-112. January 2008
128. Siamat,Dahlan(2005). Management of Financial Institutions "Monetary Policy and Banking", Faculty of Economics, University of Indonesia, first edition, Jakarta.
129. Subandi(2013). "Determinant of Efficiency and Its Impact on Profitability Performance of Banking Industry in Indonesia. "Dissertation of UPI Y.A.I Graduate Program
130. Soebagio, Hermawan, (2005). "Analysis of Factors Affecting the Occurrence of Non Performing Loans (NPLs) in Commercial Commercial Banks "(Empirical Study on the Banking Sector in Indonesia). Journal of Diponegoro University of Semarang
131. Sugiyono. (2010). Educational Research Methods. Alfabeta, Bandung.
132. Sukarno, Kartika Wahyu and Muhammad Syaichu. (2006). Analysis of Factors Affecting the Performance of Commercial Banks in Indonesia.Journal of Management and Organization Studies. Number 2, Volume 3.
133. Bank Indonesia Governor Circular Letter no. 13/24 / DPNP concerning Health Rating System of Commercial Banks, Jakarta, 2011.
134. Scott, W.R.(2000).*Financial Accounting Theory,* 2nd edition. Prentice Hall Canada Inc.pp.333-345

135. Soemarso, (2005)..Accounting An Introduction. Revised Edition. Jakarta Salemba Four
136. Syauta, Risky Christian andWidjaja, Indra (2009) "Influence Analysis of ROA, LDR, NIM and NPL Ratios Against Abnormal Return of Banking Shares In Indonesia In The Period Around Subprime Mortgage Announcement "Journal of Applied Finance and Accounting Vol.1 No.2. June 2009, 351-367
137. Sambul, SandroHeston.Murni,SriandTumiwa,JohanR.(2016), "Influence Of Financial BankingPerformance To The Stock PricesOffered By Indonesia Stock Exchange (Case Study 10 Banks With The LargestAsset).Journal of Scientific Efficiency Vo. 16 No. 2
138. Taswan. (2006). Banking Management Concepts Engineering & Applications. Yogyakarta: UPP STIM YKPN YOGYAKARTA
139. Taswan, (2010). Banking management. Issue II. Yogyakarta: UPP STIM YKPN Yogyakarta.
140. Tandelilin, Eduardus, (2001), Investment Analysis and Portfolio Management: BPFE Yogyakarta.
141. Tandelilin, Eduardus, (2010), Investment Analysis and Portfolio Management seventh edition Yogyakarta.Kanisius
142. Tarjoand Hartono, Jogiyanto, (2003). "Free Cash Flow Analysis and Managerial Ownership of Debt Policy in Public Companies in Indonesia, National Symposium on Accounting VI, Surabaya
143. Law no. 7 of 1992
144. Law no. 10 year 1998 article 1 point 2
145. Walsh, Ciaran (2004). Key Management Ratio.Ratio-ratio Important Management. Third Edition, Jakarta Erlangga
146. Warsono (2012).Corporate Finance Management. Third Edition. Volume I. Bayumedia Publishing. Malang. Pp. 223
147. Wasilah (2005)."Relationship between Information Asymmetry and Income Earning Practices in Indonesia.Journal of Accounting and Finance Indonesia 2, (1); 1-23
148. Wardhani, DiahKusuma (2008). "Influence of Corporate Governance on Corporate Performance in Indonesia. "JurnalFakultasEkonomi UII; Yogyakarta
149. Widarjono, Agus. (2007). Econometrics Theory and Applications. Yogyakarta: Econisis FE UI.
150. Weston, JF; Copeland, (2008).Fundamentals of Financial Management Volume II. Jakarta: Erlangga Publisher
151. Weygant et.al (1996).*Accounting Principles*.FourthEdition.Publised by John Wilet and Sons. ISBN 10: 0471152501 / ISBN 13: 9780471152507.
152. West,C and Zimmerman, D (1975)" Six Roles Interruptions and Silence in Conversation. In Thome B and Henley. Differences and Dominance Rowley *Newbury House*
153. Zimmerman, B.J. & Schunk, D. H. (Eds). (2001). *Self Regulated Learning and Academic Achievement*. Mahwah, NJ: Erlbaum.
154. *https//elsaryan.wordpress.com*
155. *www.infobanknews.com*
156. *www.bpdd.co.id*

Luqman Hakim and Shafenti : Universitas Persada Indonesia Y.A.I. Jakarta. Indonesia