SUMMARY

LINDA DWI ROSWITASARI. The Impact of Bank Health Ratio to Stock Price on Listed Bank in IDX 2010-2014. Supervised by NOER AZAM ACHSANI and TRIAS ANDATI.

The Indonesian banking sector plays an important in the national economic growth. The sector dominates the national financial system with a market share up to 78.6%. There is a phenomenon that shows the number of banks listed on the Indonesian Stock Exchange (BEI) in the period 2010-2014 has increased every year that is followed by the increasing of banks’ profitability. However, the average stock price tends to decline. The bank health is the interest of all stakeholders includes investors, owners, bank management and public. Therefore, there is a need to conduct a bank performance assessment using Risk profile, Good Corporate Governance, Earnings and Capital (RGEC) method.

The aim of this study is to analyse the growth of bank health ratio using the RGEC method and to examine the influence of these ratios to the stock price. The variables used in this study are Non Performing Loan (NPL), Loan to Deposit Ratio (LDR), Return on Equity (ROE), Net Interest Margin (NIM), Operational Cost to Operating Income (BOPO), Capital Adequacy Ratio (CAR) and Good Corporate Governance self-assessment report for the last five years (2010-2014), and stock price.

The method used in this research is descriptive analysis and panel data analysis with twenty banks listed in the BEI as a sample. The results of this study based on the movement of bank health ratios can be seen that the ratio on risk profile, GCG, earning, and capital has a good development in 2010-2014. Overall these ratios have an average value above the requirements of Bank Indonesia. Based on the bank’s health, the overall banking sub-sector listed on BEI in the period 2010-2014 has a rating of 1, the lowest composite rating obtained by BEKS (PT Bank Pundi Indonesia) that is composite rank 3 which reflects the condition of banks that are generally healthy enough.

Keywords: banking subsector, financial performance, stock price, panel data analysis, RGEC.