SUMMARY

TRIBELLA KEMBAREN. The Effect of Dividend Payment, Internal Factor and Others External Factor on Stock Price of Banking Company. Supervised by NOER AZAM ACHSANI and TB NUR AHMAD MAULANA.

Getting profit is the aim of investors in buying shares. The investor can get the profit from capital gains or from dividends. The banking sector in Indonesia has a considerable role for economic growth. The number of banks operating in Indonesia decreased, but the bank is growth in the number of assets and the amount of funds distribute through credit. The financial sector also has the largest market capitalization compared to other sectors, the financial sector provides higher returns compared to the other eight sectors. Banks in Indonesia are divided into 4 category based on their core capital. The purpose of this study was to analyze the company’s dividend payment policy in the banking subsector, based on the classification categories of core capital and analyze the relationship between dividends, internal factors and the external factors of the banking subsector with the stock price.

This study used a descriptive approach and panel data regression model. The descriptive approach is used to obtain information on dividends distributed by companies based on their core capital, in the period 2013-2017. The quantitative approach through the panel data regression model is conducted to see whether there is a relationship between dividends, internal factors and other external factors with the company’s stock price. The population in this study is companies that are in the banking subsector under the financial sector. This research’s sample are 31 companies.

The result of this research found that all of the company in Buku Bank 4 category (core capital ≥ idr 30 billion) gave dividend every year. The dividend per share, dividend yield and dividend payout ratio of banking company in Buku Bank 4 higher than banking company in Buku Bank 1,2 and 3. This research also analyze the effect of dividend payment, Net Interest Margin (NIM), Non Performing Loan (NPL), inflation rate, interest rate and currency exchange (REER) on stock price of 31 banking companies that listed on IDX using panel data regression analysis using annual data of 2013-2017 period. Dividend payment and NIM have a positive significant effect on stock price or in other words, the higher dividend payment and NIM of bank, the higher stock price. At last, interest rate has negative significant effect on stock price of banking company.

Keywords: dividend payment, external factor, internal factor, stock price, banking company