Analysis Of Bank Health Levels And Interest Rates On Stock Prices
(Empirical Study of Banking Companies Listed on the Indonesia Stock Exchange in 2021-2023)

Angge Taing Madinah[1*], Elisanovi[2]

[1,2] Accounting Department, Sultan Syarif Kasim State Islamic University, Pekanbaru, Indonesia

Email Correspondent
elisanovi68@gmail.com

A R T I C L E   I N F O

A B S T R A C T

This study aims to analyze the Health Level of Banks and Interest Rates on Stock Prices in Banking Companies listed on the Indonesia Stock Exchange. The sample of this study was obtained using purposive sampling technique, so that 99 samples were obtained with the research period 2021-2023. The results of this study indicate that Risk Profile proxied by Loan to Deposit Ratio (LDR), Good Corporate Governance (GCG), Earnings proxied by Return On Asset (ROA), and Interest Rates have an effect on Stock Prices, while Capital proxied by Capital Adequacy Ratio (CAR) has no effect on Stock Prices. From the results of the study, the coefficient of determination (R2) with a value of 0.4294 means that the magnitude of the influence of Risk Profile, Good Corporate Governance, Earnings, Capital and Interest Rates is 42.94%

INTRODUCTION

Shares represent proof of capital participation by an individual or business entity in a limited liability company. Changes in share prices are one indicator of a company's management success, because if a company's share price rises, many investors will be interested in investing in that company. Stocks are also categorized by industry sector, one of which is the banking industry. The development of the capital market in Indonesia shows that stocks are one of the most popular investment instruments among the public and institutional investors.

Stock price movements are an important indicator in assessing the condition and prospects of companies, including the banking sector, which plays a vital role in supporting the national financial system. Banks function as intermediary institutions that collect public funds and channel them back in the form of productive credit. Therefore, the stability and financial performance of banks are a major concern for market participants.

The research was motivated by the phenomenon of declining stock prices, one example of which was PT Bank Jago Tbk (ARTO). At the end of 2021, Bank Jago's stock price was in the range of 16,000/share. However, in 2022, Bank Jago's stock price fell sharply to 6,000/share. Then in 2023, the decline continued to around 2,000 per share. It is also known that ARTO's profit fell 81.50% to IDR 15.91 billion in 2022. And in 2023, ARTO's profit declined by 7.56%. This negative performance was dragged down by a number of expenses, including operational expenses (CNBC Indonesia, 2023).

In addition to Bank Jago shares experiencing a drastic decline, shares in other banks also declined. Quoted from CNBC Indonesia (2024), almost all KBMI (Banking Group Based on Core Capital) 1, 2, 3, and 4 banking shares experienced a decline. As can be seen in the table on the right, the five banks with the largest capital or KBMI 4 all experienced declines. The decline in share prices has been occurring since March 2024 and continues to this day. Shares in PT Bank Syariah Indonesia Tbk (BRIS) experienced the highest correction, reaching -4.37%. This was followed by PT Bank Negara Indonesia (Persero) Tbk (BBNI) with a decline of 4.03%. The three other major banks, namely PT Bank Mandiri (Persero) Tbk (BMRI), PT Bank Rakyat Indonesia (Persero) Tbk (BBRI), and PT Bank Central Asia Tbk (BBCA), also experienced declines. In addition to banking stocks with the largest capitalization or KBMI 4, banking stocks with KBMI 3 or mid-cap market capitalization and KBMI 1-2 also weakened for the most part.

All three banking categories experienced a decline in shares. Quoted from CNBC Indonesia (2024), the collapse of banking shares was caused by a large outflow of foreign funds or capital outflow. It is known that foreign investors took profits after the release of capital gains and dividends. In the past month, foreign investors have continued to sell off shares in giant banks, with PT Bank Rakyat Indonesia (Persero) Tbk (BBRI) shares being the most sold by foreign investors in the past month, reaching Rp 10.5 trillion. In addition, PT Bank Mandiri Tbk (BMRI) shares were the second most sold by foreign investors, reaching Rp 2.5 trillion (CNBC Indonesia, 2024).

Figure 1 Average Stock Price Decline 2021 - 2023
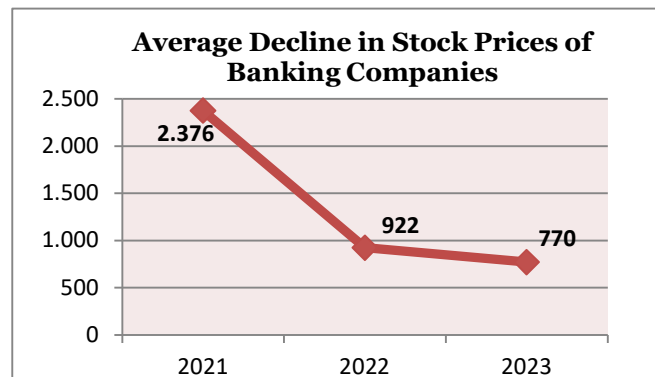
Source : Data Processed www.idx.co.id

So, it can be concluded from the graph above that banking company shares have declined over the last three years (2021-2023). In 2021, the average price of banking company shares was 2,376, then fell sharply by 61.2% to 922 in 2022. In 2023, it declined by 16.5% to 770. This situation raises questions about the extent to which internal and external banking indicators influence investors' perceptions of stock value.

One of the methods used by Indonesian authorities to assess bank health is the Risk Profile, Good Corporate Governance, Earnings, and Capital (RGEC) approach. Each component provides an overview of the level of risk, quality of governance, profitability, and capital adequacy of a bank. In addition, the interest rate represented by the BI Rate is also an important variable that has a macro impact on the attractiveness of investment in the financial sector. Changes in interest rates can affect investor behavior in allocating funds between the stock market and fixed income instruments.

Previous studies on the relationship between RGEC and stock prices have shown varying results. Some researchers have found that RGEC components have a significant effect on stock prices, while others have found no strong or consistent effect. This opens up opportunities to explore further how the combination of internal bank factors and external macroeconomic factors can affect the value of conventional bank stocks in Indonesia in the current context.

This study has novelty value because it combines all RGEC and BI Rate components simultaneously using a panel data approach and analyzes their effect on stock prices in the relatively new post-pandemic period. With this approach, this study attempts to fill a gap in previous literature, which tended to test variables partially and did not consider macro dynamics simultaneously.

Based on this description, this study aims to analyze the influence of Risk Profile, Good Corporate Governance, Earnings, Capital, and interest rates on the stock prices of conventional banks listed on the Indonesia Stock Exchange during 2021–2023. The results of this study are expected to provide theoretical and practical benefits for investors, academics, and regulators in understanding the most influential

indicators of bank market value, which can then be used as a basis for investment and policy decisions.

LITERATURE REVIEW
Signal Theory

Signal theory is a theory that discusses the ups and downs of stock prices in the market, such as stock prices, bonds, and so on, which will influence investor decisions (Fahmi 2020). according to Brigham & Houston (2018) states that this theory also emphasizes the existence of information published by companies regarding investment decisions intended for external parties, investors, and other stakeholders. Management will provide information that is of significant importance to investors and business actors. The announcement of the publication of this information will provide guidance to investors in the decision-making process. to show that the company is better than other companies (Zulkarnain et al., 2022).

Bank health and interest rates are signals given by banks to potential investors who are considering investing their funds. Bank health and interest rates are expected to serve as signals for investors in determining their investment decisions.

Bank

In Law No. 10 of 1998 concerning banking, a bank is a business entity that collects funds from the public in the form of deposits and distributes them to the public in the form of credit or other forms in order to improve the standard of living of the people. Banks are one of the financial institutions trusted by people from various backgrounds to place their funds safely (Ismail, 2017).

Financial Statements

Financial statements report the position of a company at a point in time and its operating activities over several past periods. However, their real value lies in the fact that they can be used to help forecast future earnings and dividends. In other words, financial statements serve as a means of communication between the company and interested parties, providing insight into the company's condition and performance (Filania et al, 2018).

Bank Health Rating

According to PBI Number 13/1/PBI/2011 concerning the assessment of commercial bank health, which is the result of an assessment of a bank's condition conducted on the basis of risk and performance, it is further stated that banks are required to conduct a self-assessment of their health using a risk-based approach, both individually and on a consolidated basis.

Method RGEC

According to Bank Indonesia Regulation (PBI) No. 13/1/PBI/2011 and POJK Number 4/POJK.03/2016, concerning the Assessment of Commercial Bank Health Levels, the variables for bank health levels consist of Risk Profile, Good Corporate Governance/GCG, Earnings, and Capital, abbreviated as RGEC.

The RGEC variable is a variable for assessing bank health that uses a risk-based approach (Risk-Based Bank Rating), given that banking activities are becoming increasingly complex and subject to risk, both individually and on a consolidated basis. This assessment is considered to be representative of overall banking health, which investors can use as an effective indicator in relation to expected changes in share prices.

Stock

Shares represent a person's or entity's (business entity) capital participation in a company or limited liability company. By contributing capital, the party has a claim

on the company's income, a claim on the company's assets, and the right to attend the General Meeting of Stakeholders (GMS) (www.idx.co.id).

Risk Profile

This aspect shows the ability of banking companies to manage risk. The ratio used in this study is the Loan to Deposit Ratio (LDR). Good risk management sends a positive signal to investors, increasing their confidence and thereby increasing share prices. In this study Istia et al. (2024) shows that the Risk Profile ratio affects stock prices. A high LDR value indicates a larger amount of funds allocated as credit, which in turn increases the potential profits that banks can earn from these loans. This influences investors' decisions regarding investments and affects the demand for stocks in the capital market, ultimately impacting stock prices.

H1: Risk Profile Affects Stock Prices

Good Corporate Governance (GCG)

This aspect is assessed based on the self-assessment method, namely good banking management or implementation, in accordance with Financial Services Authority Regulation No. 55/PJOK No. 03/2016. The lower the GCG composite rating, the better the banking company's implementation of GCG principles, thereby eliciting a positive response from investors because the banking company is considered safe for investment activities. The better the bank's management, the more value it will add to the bank, thereby attracting investors to invest their capital in the company.

H2: Good Corporate Governance Affects Stock Prices

Earnings

Earnings proxied by the Return On Asset (ROA) ratio show that higher earnings indicate that banking companies can manage their funds effectively, resulting in higher profits. This elicits a positive reaction from investors because banking companies that generate high profits tend to pay high dividends to shareholders.

H3: Earnings Affect Stock Prices

Capital

Capital, which is measured by the Capital Adequacy Ratio (CAR), indicates that the stronger the CAR, the safer the funds owned by a banking company are, as they are within the limits set by law. This prevents losses arising from the risks faced, thereby ensuring that the banking company's operations are not disrupted. A high CAR indicates that the bank can meet its capital requirements in order to develop its business by disbursing loans (Markiano & Lusiawati, 2024). This has generated a positive response from investors because banking companies are considered safe for investment.

H4: Capital Affects Stock Prices

Interest Rates

Interest rates are one of the indicators or considerations for someone to invest, because interest rates are a measure that determines the implied rate of return on investment securities. If interest rates are high, investors may be more interested in putting their money in fixed income instruments.

H5: Interest Rates Affect Stock Prices

METHODOLOGY

Types and Sources of Research Data

The type of data used in this study is secondary data. The data sources in this study are the financial reports of banking companies listed on the Indonesia Stock Exchange for the period 2021-2023. The data was obtained from the official website

of the Indonesia Stock Exchange, www.idx.co.id, the official websites of banking companies, and other necessary websites.

Population and Sample

This study uses secondary data obtained from the Indonesia Stock Exchange and the companies' official websites. The population in this study consists of banking companies listed on the Indonesia Stock Exchange in 2021-2023. The sampling method used was prospective sampling, while the analysis method used was panel data regression analysis processed using Eviews version 12. The companies sampled in this study were 33 companies with observation years from 2021 to 2023, for a total of 99 samples.

Operational Definition of Variables

The dependent variable in this study is stock price, because the price reflects the rise and fall of a stock. The stock prices used in this study are the closing prices at the end of December from 2021 to 2023. Meanwhile, the independent variables in this study are Risk Profile, Good Corporate Governance, Earnings, Capital, and Interest Rates.

Risk Profile

According to Bank Indonesia Regulation No. 13/1/PBI/2011, Risk Profile is the risk to inherent risk and the quality of risk management implementation in bank operations. One ratio that can represent the Risk profile factor and used in this study is the Loan to Deposit Ratio (LDR).

$$\boldsymbol{Loan\ to\ Deposit\ Ratio\ (LDR) = \frac{Total\ Credit}{Total\ Third - Party\ Funds} x100\%}$$

Good Coorporate Governance (GCG)

GCG uses the self-assessment method in its assessment because BI Circular Letter No. 15/15/DPNP of 2013 requires self-assessment in assessing GCG. The lower the composite score of a bank, the healthier the bank is. The following is the GCG composite table:

Table 1 Criteria for Determining GCG Ratings:

Rank	Description	Criteria
1	Very Good	Having a composite value < 1,5
2	Good	Having a composite value 1,5 ≤ NK < 2,5
3	Good Enough	Having a composite value 2,5 ≤ NK < 3,5
4	Not Very Good	Having a composite value 3,5 ≤ NK < 4,5
5	Not Good	Having a composite value 4,5 ≤ NK < 5

Earnings

According to Amelia & Aprilianti (2018), Return On Assets (ROA) is used to measure the success of management in generating profits by utilizing the assets owned by a bank.

$$\boldsymbol{ROA = \frac{Profit\ Before\ Tax}{Total\ Asset} x100\%}$$

Capital

Based on a copy of Financial Services Authority Circular Letter No. 14/SEOJK.03/2017, capital factors are measured using the Capital Adequacy Ratio (CAR) tool. CAR is a ratio that measures the adequacy of a bank's capital, calculated

based on the total capital and risk-weighted assets in accordance with Bank Indonesia regulations.

$$CAR = \frac{Total\ Capital}{Risk - Weighted\ Assets} x100\%$$

Interest Rate

Interest rates are usually expressed as a percentage per annum or less than a year (Sunariyah, 2011:82). The interest rate data in this study was measured using the annual Bl rate for the 2021-2023 period, accessed from the Bank Indonesia website, www.bi.go.id. Alternatively, it can be reviewed using the following formula:

$$Interest\ Rate\ (\%) = \frac{Annual\ Interest\ Rate}{12}$$

Data Analysis Methods

In this study, the data analysis methods applied include quantitative descriptive analysis along with panel data regression analysis to assess the effect of independent variables on dependent variables. In this study, the Eviews 12 program was used as a tool for analyzing data.

Descriptive Statistics

Descriptive statistics explain the mean of the data, the standard deviation that shows the extent to which the data differs from the mean, and the minimum and maximum values as a representation of the range of observed data values.

Panel Data Model

Among the three model estimates, the model that best suits the research objectives will be selected. There are three tests that are useful as guidelines in selecting a panel data regression model according to the characteristics of the data, namely the Chow Test, the Hausman Test, and the Langrange Multiplier (LM) Test.

Panel Data Regression Test

According to Ghozali (2017) panel data regression analysis can use the following equation:

$$Y = \alpha + \beta_1 X1_{it} + \beta_2 X2_{it} + \beta_3 X3_{it} + \beta_4 X4_{it} + \beta_5 X5_{it} + \varepsilon_{it}$$

Description :

Y = Stock Price
α = Constant
X1 = LDR
X2 = GCG
X3 = ROA
X4 = CAR
X5 = Interest Rate
ε = Error term, that is, the level of error in research estimators

Panel data regression is a regression consisting of several different company characteristics. Therefore, it is necessary to select the best model using several tests consisting of the Common Effect Model, Fixed Effect Model, and Random Effect Model (Kusumaningtyas et al., 2022:103).

Classical Assumption Test
Normality Test

The normality test can be performed using the Jarque Bera (JB) probability test as follows:

a. If the probability is below 0.05, the null hypothesis is rejected, indicating that the data is not normally distributed.
b. If the probability is greater than 0.05, the null hypothesis is accepted, indicating that the data has a normal distribution.Uji Multikolinearitas

Multicollinearity Test

To detect the presence or absence of multicollinearity in a regression model, the tolerance or variance inflation factor (VIF) values can be examined using the following criteria:

a. If the tolerance value is >0.1 and the VIF value is <10, then there is no multicollinearity problem, which means that the regression model can be considered good.
b. If the tolerance value is <0.1 and the VIF value is >10, then there is a multicollinearity problem, meaning that the regression model is not good.

Heteroscedasticity Test

Heteroscedasticity can be detected using the Glejser test, which involves regressing the independent variable with the absolute value of the residual. If the probability value of each independent variable is >0.05, it can be concluded that there is no heteroscedasticity in the regression model. Conversely, if there is an independent variable with a probability value <0.05, it can be concluded that there is heteroscedasticity in the regression model (Kusumaningtyas et al., 2022:99).

Autocorrelation Test

Autocorrelation can be detected using the Durbin Watson (DW) test. The value of d ranges from 0 to 4. According to Ghozali (2017:122) the decision on whether autocorrelation exists is as follows:

a. dU < DW < 4-dU, then H0 is accepted, meaning that there is no autocorrelation.
b. 0 < DW < Dl, then H0 is rejected, meaning that positive autocorrelation occurs.
c. 4-Dl < DW < 4, then H0 is rejected, meaning that negative autocorrelation occurs.
d. dL < DW < dU or 4-dU < DW < 4-dLi, meaning that there is no certainty or definite conclusion.

Hypothesis Testing

T-test

The t-statistic test is used to measure the effect of each independent variable on the dependent variable (Ghozali, 2017). The criteria in this test are:

a) If the sig. value is < 0.05, the hypothesis is accepted. This indicates that there is a significant effect between one independent variable and the dependent variable.
b) If the sig. value is > 0.05, the hypothesis is rejected. This indicates that there is no significant effect between one independent variable and the dependent variable.

Coefficient of Determination (R^2)

The coefficient of determination is basically used to measure the extent to which a model can explain the variation in the dependent variable. The coefficient of determination is expressed as a percentage ranging from $0 < R^2 < 1$. If the value of $R^2=0$, it means that there is no relationship between the variables. If the value of R^2 is small, it means that the ability of the independent variables to explain the variation in the dependent variable is very limited. If the value of R^2 is close to 1, it means that the independent variables explain almost all the information needed to predict the variation in the dependent variable (Ghozali, 2017).

RESULTS AND DISCUSSION
Descriptive Data Analysis
The results of the descriptive data analysis can be seen in the table below:
Table 2 Results of Descriptive Statistical Tests

	Y	X1	X2	X3	X4	X5
Mean	2371.273	97.15794	1.949495	1.597500	39.93650	4.443333
Median	1210.000	85.24040	2.000000	1.300839	26.84219	4.000000
Maximum	16000.00	527.9067	3.000000	4.734259	283.8783	5.810000
Minimum	60.00000	12.35339	1.000000	0.038596	4.924049	3.520000
Std. Dev.	2798.648	66.64178	0.360661	1.238091	39.62438	0.991065
Skewness	2.039679	3.973967	-0.668048	0.818815	3.774882	0.583524
Kurtosis	8.148810	22.95028	7.424736	2.801003	19.87963	1.500000
Jarque-Bera	177.9995	1902.380	88.12422	11.22591	1410.423	14.89950
Probability	0.000000	0.000000	0.000000	0.003650	0.000000	0.000582
Sum	234756.0	9618.636	193.0000	158.1525	3953.713	439.8900
Sum Sq. Dev.	7.68E+08	435230.4	12.74747	150.2212	153868.9	96.25660
Observations	99	99	99	99	99	99

Source: Eviews Output Results 12, 2025

Description :
Y: Stock Price
X1: Risk Profile
X2: Good Coorporate Governance
X3: Earnings
X4: Capital
X5: Interest Rate

The descriptive analysis results in Table 4.1 above show that the N (number of variables) for each variable is 99. This number comes from 33 sample companies, namely banking companies listed on the Indonesia Stock Exchange, with an observation period of three years (2021-2023).

The dependent variable, Stock Price (Y), shows an average value of 2,371.273 with a standard deviation of 2,798.648. The highest value of the Stock Price (Y) variable was IDR 16,000, held by Bank Jago Tbk (ARTO) in 2021. The lowest value was IDR 60, held by Bank MNC Internasional Tbk (BABP) in 2023.

The first independent variable, Risk Profile (X1), proxied by the Loan to Deposit Ratio (LDR), shows an average value of 97.15794 with a standard deviation of 66.64178. The highest LDR value was 527.9067, held by Krom Bank Indonesia Tbk (BBSI) in 2023. The lowest value was 12.35339, held by Bank Capital Indonesia Tbk (BACA) in 2021.

The second independent variable, Good Corporate Governance (GCG) (X2), showed an average GCG value of 1.949495 with a standard deviation of 0.360661. The

highest GCG value was 3, held by Bank Capital Indonesia Tbk (BACA) from 2021 to 2023. The lowest value was 1, held by several banks, namely Bank Central Asia Tbk (BBCA), Bank Mandiri (Persero) Tbk (BMRI), and Bank OCBC NISP Tbk (NISP) in the same years, 2021-2023.

The third independent variable is Earnings (X3), proxied by Return on Assets (ROA), showing that the average ROA value is 1.597500 with a standard deviation of 1.238091. The highest ROA value was 4.734259 for Krom Bank Indonesia Tbk (BBSI) in 2023, and the lowest value was 0.038596 for Bank Mayapada Internasional Tbk (MAYA) in 2023.

The fourth independent variable is Capital (X4), proxied by the Capital Adequacy Ratio (CAR), showing that the average CAR value was 39.93650 with a standard deviation of 39.62438. The highest CAR value was 283.8783, held by Krom Bank Indonesia Tbk (BBSI) in 2022, and the lowest value was 4.924049, held by Bank BTPN Tbk (BTPN) in 2021.

The final independent variable, Interest Rate (X5), shows an average value of 4.443333 with a standard deviation of 0.991065. The highest value of the Interest Rate variable was 5.81, representing the average interest rate in 2023, and the lowest value was 3.52, representing the average interest rate in 2021.

Panel Data Estimation Method
Chow Test
Table 3 Chow Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	10.020133	(32,54)	0.0000
Cross-section Chi-square	178.203342	32	0.0000

Source: Eviews Output Results 12, 2025

Table 3 above shows a cross-section Chi-square significance value of 0.0000. This value is smaller than α (0.0000 < 0.05). Therefore, statistically, H1 is accepted and H0 is rejected. Therefore, in this Chow Test, the selected model is the Fixed Effect Model.

Hausman Test
Table 4 : Hausman Test Results

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	8.015233	5	0.1554

Source: Eviews Output Results 12, 2025

Based on Table 4, the Random Cross Section Prob value of 0.1554 is greater than 0.05, so it can be concluded that the selected model is the Random Effect Model.

Lagrange Multiplier (LM) Test

Table 5 Lagrange Multiplier (LM) Test Results

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided
(all others) alternatives

| | Test Hypothesis | | |
	Cross-section	Time	Both
Breusch-Pagan	38.63844	0.416568	39.05500
	(0.0000)	(0.5187)	(0.0000)
Honda	6.215982	-0.645421	3.938982
	(0.0000)	(0.7407)	(0.0000)
King-Wu	6.215982	-0.645421	0.903632
	(0.0000)	(0.7407)	(0.1831)
Standardized Honda	6.698513	0.283570	0.563321
	(0.0000)	(0.3884)	(0.2866)
Standardized King-Wu	6.698513	0.283570	-1.018960
	(0.0000)	(0.3884)	(0.8459)
Gourieroux, et al.	--	--	38.63844
			(0.0000)

Source: Eviews Output Results 12, 2025

Based on Table 5, the Cross Section Prob value of 0.0000 is smaller than 0.05, so it can be concluded that the selected model is the Random Effect Model.

Model Selection Test

Table 6 Model Selection Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4138.652	1179.856	3.507760	0.0007
X1	-9.015812	2.787885	-3.233926	0.0017
X2	-1193.926	539.2775	-2.213936	0.0295
X3	1280.417	163.2101	7.845208	0.0000
X4	-1.402832	4.774097	-0.293842	0.7696
X5	-166.8006	79.87694	-2.088219	0.0397

Effects Specification		S.D.	Rho
Cross-section random		1307.549	0.7829
Idiosyncratic random		688.5604	0.2171

Weighted Statistics			
R-squared	0.460727	Mean dependent var	637.4212
Adjusted R-squared	0.429374	S.D. dependent var	955.2919
S.E. of regression	712.0346	Sum squared resid	43601417
F-statistic	14.69479	Durbin-Watson stat	2.068532
Prob(F-statistic)	0.000000		

Source: Eviews Output Results 12, 2025

Description :
Y: Stock Price
X1: Risk Profile
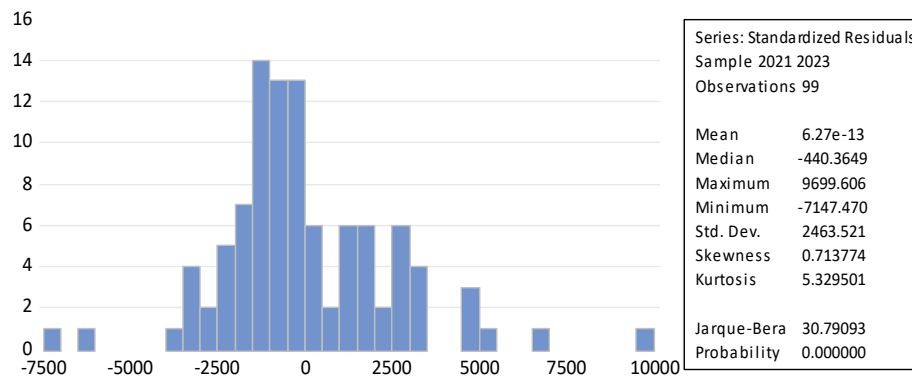X2: Good Coorporate Governance
X3: Earnings
X4: Capital
X5: Interest Rate

Table 6 shows the results of the model selection test using the Random Effects Model, with a total of 92 observations and a 3-year research period (2021-2023) in banking companies.
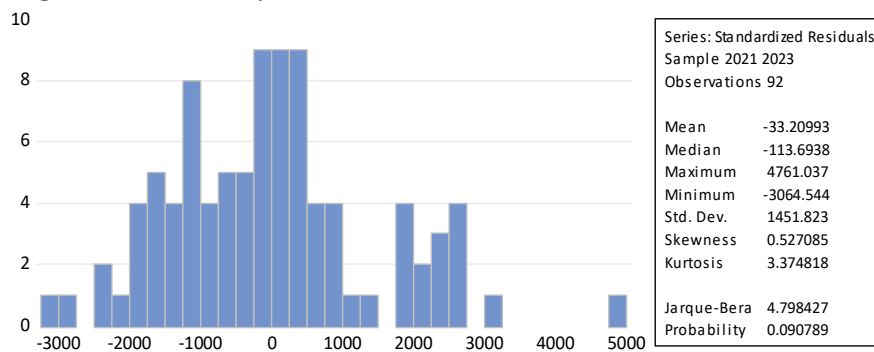
Classical Assumption Test
Normality Test

Figure 2: Normality Test Graph

Series: Standardized Residuals	
Sample 2021 2023	
Observations 99	
Mean	6.27e-13
Median	-440.3649
Maximum	9699.606
Minimum	-7147.470
Std. Dev.	2463.521
Skewness	0.713774
Kurtosis	5.329501
Jarque-Bera	30.79093
Probability	0.000000

Based on Figure 2, the results of the normality test show a JB value of 0.000000 < 0.05, which means H0 is rejected, meaning the data is not normally distributed. Therefore, an outlier analysis was performed to evaluate whether the data met the normality assumption or whether there were still non-normal tendencies. The results of the normality test after the outlier analysis are shown in the figure below:

Figure 3: Normality Test Results After Data Outliers

Series: Standardized Residuals	
Sample 2021 2023	
Observations 92	
Mean	-33.20993
Median	-113.6938
Maximum	4761.037
Minimum	-3064.544
Std. Dev.	1451.823
Skewness	0.527085
Kurtosis	3.374818
Jarque-Bera	4.798427
Probability	0.090789

After conducting outlier analysis in Eviews 12, 7 data points were identified as outliers, resulting in a total of 92 units of analysis. After handling the outliers, the variables in this study were normally distributed. This can be seen in Figure 3 above, where the significance value is 0.090789, which is greater than 0.05. Therefore, the calculation results indicate that the data used in this study meets the assumption of a normal distribution, thus the sample qualifies for further research. Thus, the independent variables can be used to predict stock prices.

Multicollinearity Test

Table 7 : Multicollinearity Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	1288022.	57.37284	NA
X1	11.33421	6.495547	1.997330
X2	190830.4	33.35417	1.176013
X3	22648.59	3.753170	1.358722
X4	27.93231	3.563227	1.782752
X5	23360.31	21.85044	1.031050

Source: Eviews Output Results 12, 2025

The test results of table 7 above show that the VIF value of X1 (Risk Profile) is 1.997330, the VIF value of X2 (Good Corporate Governance) is 1.176013, the VIF value of X3 (Earnings) is 1.358722, the VIP value of X4 (Capital) is 1.782752 and the VIP value of X5 (Interest Rate) is 1.031050. Where the five variables have a VIF value <10, it can be concluded that there is no multicollinearity problem.

Heteroscedasticity Test

Table 8 Heteroscedasticity Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.400197	3.269535	1.651671	0.1022
X1	-0.012129	0.009695	-1.251052	0.2143
X2	-1.472924	1.321096	-1.114926	0.2680
X3	-0.043012	0.447758	-0.096060	0.9237
X4	0.014143	0.015286	0.925260	0.3574
X5	0.020779	0.399741	0.051982	0.9587

Source: Eviews Output Results 12, 2025

The test results of table 8 above, the probability value of X1 is 0.2143, the probability value of X2 is 0.2680, the probability value of X3 is 0.9237, the probability value of X4 is 0.3574 and the probability value of X5 is 0.9587, where of the five variables the probability value is greater than 0.05. So it can be concluded that in this model there is no heteroscedasticity.

Autocorrelation Test

Tabel 9 Autocorrelation Test Result

R-squared	0.460727	Mean dependent var	637.4212
Adjusted R-squared	0.429374	S.D. dependent var	955.2919
S.E. of regression	712.0346	Sum squared resid	43601417
F-statistic	14.69479	Durbin-Watson stat	2.068532
Prob(F-statistic)	0.000000		

Source: Eviews Output Results 12, 2025

Based on the test results in Table 9, the Durbin Watson (DW) value is 2.068532 and the dU value is 1.7767. Therefore, the value obtained is 1.7767 < 2.068532 < 4, so Ho is accepted, which means there is no autocorrelation.

Panel Data Regression Analysis

Based on Table 6, the regression equation is as follows:

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

$Y = 4138.652 - 9.015812(X1) - 1193.926(X2) + 1280.417(X3) - 1.402832(X4) - 166.8006(X5)$

Description:

Y_{it} : Stock price

β_0 : Constant

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$: Independent variable coefficient

X_{1it}: *Risk Profile*

X_{2it}: *Good Corporate Governance* (GCG)

X_{3it}: *Earnings*

X_{4it}: *Capital*

X_{5it}: Interest Rate

e_{it} : Error

Based on the panel data regression, the following is explained:

Constant = A constant is a variable whose data value is fixed and cannot be changed. In this model, the constant value is 4138.652. This means that if the Risk Profile (LDR) variable is 0, Good Corporate Governance (GCG) is 0, Earnings (ROA) is 0, Capital (CAR) is 0, and Interest Rate is 0, then the Stock Price will be 4138.652.

X1 = -9.015812. This means that if the Risk Profile variable, proxied by the Loan to Deposit Ratio (LDR), increases by 1, while the Good Corporate Governance (GCG), Earnings (ROA), Capital (CAR), and Interest Rate variables remain constant, the Stock Price will decrease by 9.015812. The negative sign indicates that the Risk Profile variable and Stock Price have a non-unidirectional or inverse relationship.

X2 = -1193.926. This means that if the Good Corporate Governance (GCG) variable increases by 1, while the Risk Profile (LDR), Earnings (ROA), Capital (CAR), and Interest Rate variables remain constant, the stock price increases by 1,193.926. The

negative sign indicates that the Good Corporate Governance (GCG) variable and stock price have an inverse relationship.

X3 = 1,280.417. This means that if the Earnings variable, proxied by Return on Assets (ROA), increases by 1, while the Risk Profile (LDR), Good Corporate Governance (GCG), Capital (CAR), and Interest Rate variables remain constant, the stock price decreases by 1,280.417. The positive sign indicates that the Earnings variable and stock price have a unidirectional relationship.

X4 = -1.402832. This means that if the Capital variable, proxied by the Capital Adequacy Ratio (CAR), increases by 1, and the Risk Profile (LDR), Good Corporate Governance (GCG), Earnings (ROA), and Interest Rate variables remain constant, the Stock Price decreases by 1.402832. The negative sign indicates that the Capital variable and Stock Price have an inverse or inverse relationship.

X5 = -166.8006. This means that if the Interest Rate variable increases by 1, and the Risk Profile (LDR), Good Corporate Governance (GCG), Earnings (ROA), and Capital (CAR) variables remain constant, the Stock Price decreases by 166.8006. The negative sign indicates that the Interest Rate variable and Stock Price have an inverse or inverse relationship.

Hypothesis Testing
Partial Test
Table 10 Partial Test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4138.652	1179.856	3.507760	0.0007
X1	-9.015812	2.787885	-3.233926	0.0017
X2	-1193.926	539.2775	-2.213936	0.0295
X3	1280.417	163.2101	7.845208	0.0000
X4	-1.402832	4.774097	-0.293842	0.7696
X5	-166.8006	79.87694	-2.088219	0.0397

Source: Eviews Output Results 12, 2025

The Influence of Risk Profile on Stock Prices (H1)
The first hypothesis (H1), which states that Risk Profile influences Stock Prices, is supported or accepted in this study. Risk Profile, proxied by the Loan to Deposit Ratio (LDR), assesses how effectively banks channel savings into credit to generate income. This research aligns with research conducted by Istia et al. (2024) and Febiolla et al. (2019) which states that risk profile influences stock prices. However, the results of this study differ from the research Islamie & Rahmiati (2024) and Febiolla et al. (2019) which shows that the LDR results have no influence on stock prices.

The risk profile reflects a banking company's ability to manage risk. A higher LDR ratio indicates a higher risk borne by the bank due to increased credit disbursement, thus increasing the risk of default. Investors will consider this risk

factor when making investment decisions, so increased risk can reduce interest in the bank's shares and impact the share price. This is in line with signaling theory, where a low LDR serves as a signal to investors to invest. Therefore, banks need to keep their LDR as low as possible. The lower the LDR, the better the bank's performance in minimizing its liquidity risk.

The Influence of Good Corporate Governance (GCG) on Stock Prices (H2)

The second hypothesis (H2), which states that Good Corporate Governance (GCG) influences stock prices, is supported or accepted in this study. The GCG variable has a partial effect on stock prices, showing significant results. This research finding aligns with research Elly & Krisnawati (2023) (Islamie & Rahmiati, 2024) and Mangesti & Yusuf (2022) which concluded that GCG has a partial effect on stock prices. However, the results of this study differ from the research Laila & Purnamasari (2022) and Maharani (2021) shows the results have no effect on stock prices.

Judging from the GCG composite rating, a rating of one indicates excellent GCG management, meaning a lower composite rating indicates a better implementation of GCG principles. This means a company should achieve a lower score for the best results, consistent with existing research findings that show GCG has a negative or inverse effect. This is also in line with signaling theory, which suggests that a higher GCG composite rating indicates a banking company's ineffective implementation of GCG principles, leading to a negative response from investors, as banking companies are perceived as less secure for stock investment, and investors will seek out companies with lower GCG composite ratings.

Influence of Earnings on Stock Prices (H3)

The third hypothesis (H3), which states that earnings influence stock prices, is accepted based on the research conducted. Earnings, proxied by Return on Assets (ROA), indicates that banks can manage their assets efficiently to generate profits. This research aligns with research conducted by Islamie & Rahmiati (2024) serta Hajar et al. (2020) which shows that earnings have an effect on stock prices. However, the results of this study differ from the research Maharani (2021) which shows the opposite result.

This aligns with signaling theory, which suggests that higher earnings indicate a banking company's effective management of its funds, leading to higher profits. This suggests that earnings are a positive signal that boosts investor confidence, as banking companies that generate high profits tend to provide high dividends to shareholders.

The Influence of Capital on Stock Prices (H4)

The fourth hypothesis (H4) for this study, which states that capital influences stock prices, cannot be supported or rejected. Capital, proxied by the Capital Adequacy Ratio (CAR), is a ratio used to measure a bank's capital and to assess its ability to cover the risk of losses with its own capital. The higher the CAR, the stronger the bank's capital position and the lower its risk in terms of stability. However, in the context of

stock prices, investors focus more on other factors, such as profit. Capital market investors generally pay more attention to profitability performance (such as ROA and EPS) than to prudential aspects such as CAR, because profit is directly related to potential returns/dividends.

Increasing capital does not necessarily improve a company's efficiency or profits. If a bank holds too much capital without expanding productive credit, this could be considered suboptimal from an investor perspective. While CAR is important for regulators and risk management, for investors, growth, profits, and dividends are often the primary drivers of stock prices. This research aligns with research conducted by Islamie & Rahmiati (2024) and Maharani (2021) which states that capital has no effect on stock prices. However, the results of this study differ from the research Istia et al. (2024), Elly & Krisnawati (2023), and Laila & Purnamasari (2022) which shows that capital influences stock prices.

The Effect of Interest Rates on Stock Prices (H5)

The fifth hypothesis (H5) for this study states that interest rates influence stock prices. This can be supported or accepted. Interest rates are one of the variables that can influence stock prices. Rising interest rates will increase the risk of investing in stocks, which will result in investors experiencing uncertainty about profits and leading to the sale of their shares. This sale of shares will lower the stock price. This research aligns with research conducted by Amri et al., (2022), Gumilang & Nadiansyah (2021) which states that interest rates influence stock prices. However, the results of this study differ from the research Afiyah et al. (2024) and Achmadi (2023) which shows that the results have no effect on stock prices.

This also aligns with existing theory, stating that low interest rates are a signal for investors to invest in companies. Therefore, this aligns with research findings that show negative or two-way results. When interest rates rise, stock prices will decline. Furthermore, rising interest rates will encourage investors to shift their stocks to other investment sectors with higher interest rates rather than stocks with higher risks (Zahro & Yudiantoro, 2022).

Coefficient of Determination

Table 11 : Results of the Determination Coefficient Test

R-squared	0.460727	Mean dependent var	637.4212
Adjusted R-squared	0.429374	S.D. dependent var	955.2919
S.E. of regression	712.0346	Sum squared resid	43601417
F-statistic	14.69479	Durbin-Watson stat	2.068532
Prob(F-statistic)	0.000000		

Source: Eviews Output Results 12, 2025

Based on Table 11 above, it can be seen that the influence of the independent variables (Risk Profile, Good Corporate Governance, Earnings, Capital, and Interest Rates) on the dependent variable (Stock Price) produces an Adjusted R Square value of 0.4294, or 42.94%. This means that the dependent variable, Stock Price, can be

explained by 42.94% of the independent variables (Risk Profile, Good Corporate Governance, Earnings, Capital, and Interest Rates), while the remaining 57.06% is explained by other variables not included in or outside the study.

Other variables that can influence stock prices include inflation, the rupiah exchange rate, stock trading volume, company size, and financial ratios such as Price to Book Value (PBV). External factors such as government policy, market sentiment, and global events also often trigger significant changes in stock prices. Furthermore, dividend policy and management reputation can also influence investor expectations regarding stock performance. According to the Adjusted R Square value, many other variables can influence stock prices, particularly external factors.

CONCLUSION

The results of this study indicate that Risk Profile proxied by Loan to Deposit Ratio (LDR), Good Corporate Governance (GCG), Earnings proxied by Return On Asset (ROA), and Interest Rates have an effect on Stock Prices, while Capital proxied by Capital Adequacy Ratio (CAR) has no effect on Stock Prices. However, some of the limitations of this study include the sample size was limited, with research conducted in only one sector, thus not representing other sectors.

REFERENCES

Achmadi, N. (2023). Analisis Pengaruh Inflasi, Suku Bunga, Nilai Tukar Terhadap Harga Saham. *Jurnal Riset Akuntansi*, *9*(2), 116–126. https://ejurnal.mercubuana-yogya.ac.id/index.php/akuntansi/index

Afiyah, Maskuroh, N., & Rujikartawi, E. (2024). Pengaruh Nilai Tukar Rupiah dan BI Rate Terhadap Harga Saham Sektor Basic Materials pada IDX MES BUMN 17 Periode 2021-2023. *Economic Reviews Journal*, *3*, 653–668. https://doi.org/10.56709/mrj.v3i2.181

Amelia, E., & Aprilianti, A. C. (2018). PENILAIAN TINGKAT KESEHATAN BANK : PENDEKATAN CAMEL DAN RGEC (Studi Pada Bank Maybank Syariah Indonesia Periode 2011-2016). *Jurnal Akuntansi Dan Keuangan Islam*, *6*(2), 189–208. doi: https://doi.org/10.5281/jakis.v6i2.116

Amri, A., Ramadhi, & Sami Gultom, M. (2022). Gambaran Harga Saham Ditinjau Dari Tingkat Inflasi, Nilai Tukar Rupiah, Dan Suku Bunga: Studi Kasus Perusahaan Yang Terdaftar Di Indeks Lq45. *J-EBIS (Jurnal Ekonomi Dan Bisnis Islam)*, *7*, 207–228. https://doi.org/10.32505/j-ebis.v7i2.4051

Brigham, E. F., & Houston, J. F. (2018). *Dasar-Dasar Manajemen Keuangan* (E. 14 (Ed.). Jakarta: Salemba Empat, 2018.

Elly, M. I., & Krisnawati, T. (2023). RGEC Method Analysis to Measure the Health Level of State-Owned Banks Against Stock Prices in 2011-2022. *MEC-J (Management and Economics Journal)*, *7*(3), 215–232. https://doi.org/10.18860/mec-j.v7i3.23781

Fahmi, I. (2020). *Analisis Kinerja Keuangan "Panudan bagi Akademisi, Manajer, dan Investor untuk Menilai dan Menganalisis Bisnis dan Aspek Keuangan."* bandung: Alfabeta.

Febiolla, D., Mulyani, W. T., & Andreas, H. H. (2019). *Pengaruh Tingkat Kesehatan Perbankan terhadap Harga Saham Perusahaan Perbankan di Bei Tahun 2008-2017*. *2*(Oktober), 223–248.

Ghozali, I. (2017). *Analisis Multivariat Dan Ekonometrika: Teori, Konsep, Dan Aplikasi Dengan Eviews 10* (Edisi 2). Badan Penerbit Universitas Diponogoro.

Gumilang, R. R., & Nadiansyah, D. (2021). Pengaruh Inflasi Dan BI Rate Terhadap Harga Saham Perusahaan LQ45 Pada Bursa Efek Indonesia. *Coopetition : Jurnal Ilmiah Manajemen*, *XII*(2), 253–262.

Hajar, N., Tho'in, M., & Musta'an. (2020). The Effect of Banking Financial Soundness on Stock Prices To Earnings and Capital Variables. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, *4*(4), 1099–1104.

Islamie, G. P., & Rahmiati, A. (2024). *Analisis Metode RGEC Terhadap Harga Saham*. *11*(3), 644–656. https://doi.org/10.32534/jpk.v11i3.6209

Ismail, M. B. A. (2017). *Perbankan syariah*. Kencana.

Istia, C. E., Adawiyah, N. N., Septiani, R., & Suryani, M. (2024). Determinan Harga Saham Menggunakan Metode Risk Based Bank Rating (RBBR). *INNOVATIVE: Journal Of Social Science Research*, *4*, 16423–16439.

Kusumaningtyas, E., Sugiyanto, Subagyo, E., Adinugroho, W. C., & Jacob, J. (2022). *Konsep Dan Praktik Ekonometrika Menggunakan Eviews*. Academia Publication.

Laila, C., & Purnamasari, P. E. (2022). Peran Ukuran Perusahaan dalam Memoderasi Tingkat Kesehatan Bank Terhadap Harga Saham. *SEIKO: Journal of Management & Business*, *4*(3), 389–402. https://doi.org/10.37531/sejaman.v4i3.2383

Maharani, S. G. (2021). Analisis Tingkat Kesehatan Bank Menggunakan Metode RGEC Terhadap Harga Saham Bank Pembangunan Daerah Tahun 2014-2018. *Jurnal Mirai Management*, *6*(1), 39. https://doi.org/10.37531/mirai.v6i1.772

Mangesti, U., & Yusuf, M. (2022). Edunomika – Vol. 06, No. 02, 2022. *Jurnal Ilmiah Edunomika*, *Vol. 6*(No. 2), 1–13. https://jurnal.stie-aas.ac.id/index.php/jie/article/view/4977

Markiano, J. D., & Lusiawati. (2024). Pengaruh Kesehatan Bank Dengan Metode RGEC Terhadap Nilai Perusahaan Dengan Ukuran Perusahaan Sebagai Variabel Moderasi. *Insight Management and Business*, *2*(01), 36–46. https://asas-ins.com/index.php/imb/article/view/82

Sunariyah. (2011). *Pengantar Pengetahuan Pasar Modal*. Edisi Keenam, Penerbit Sekolah Tinggi Ilmu Manajemen YKPN, Yogyakarta.

Zahro, N. A., & Yudiantoro, D. (2022). Pengaruh Nilai Tukar,Suku Bunga Dan Jub Terhadap Ihsg Di Bei(Periode 2019-2021). *Accounting Global Journal*, *6*(1), 1–11. https://doi.org/10.24176/agj.v6i1.7385

Zulkarnain, M., Sumaizar, & Mukarramah. (2022). Analisis Financial Distress Pada Perusahaan Perbankan Syariah Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal Penelitian Ekonomi Akuntansi (JENSI)*, *6*(2), 109–120. https://doi.org/10.33059/jensi.v6i2.6588Haerani, S., Parmitasari, R. D. A., Aponno, E. H., & Aunalal, Z. I. (2019). Moderating effects of age on personality, driving behavior towards driving outcomes. International Journal of Human Rights in Healthcare. https://doi.org/10.1108/IJHRH-08-2017-0040

Lusardi, A., Mitchell, O. S., & Curto, V. (2010). Financial literacy among the young: Evidence and implications. National Bureau of Economic Research, 358–380. https://www.nber.org/papers/w15352.pdf

Sabri, M. F., & MacDonald, M. (2010). Savings Behavior and Financial Problems among College Students: The Role of Financial Literacy in Malaysia | Sabri | Cross-cultural Communication. Crosscultural Communication. https://doi.org/10.3968/j.ccc.1923670020100603.009