



**Effect of Capital Adequacy Ratio (CAR), Loan to Deposit Ratio (LDR) and Return on Equity (ROE) on Share Price PT Bank Danamon Indonesia, TBK**

**M. Irawan Noor**

Faculty of Economics  
Krisnadwipayana University Jakarta  
Campus UNKRIS Jatiwaringin  
P.O.Box 7774/Jat CM. Jakarta 13077  
Indonesia

**Pujiono Imar Rosyid**

Faculty of Economics  
Krisnadwipayana University Jakarta  
Campus UNKRIS Jatiwaringin  
P.O.Box 7774/Jat CM. Jakarta 13077  
Indonesia

**Abstract**

*Investors desperately need information that is understandable, relevant, reliable and comparable in evaluating the financial position and performance of the bank and useful in making investment decisions. This study aims to analyze the influence of capital with Capital Adequacy Ratio (CAR) indicator, liquidity with Loan to Deposit Ratio (LDR) and profitability indicators with Return on Equity (ROE) to Share Price of PT Bank Danamon Indonesia, Tbk (Bank Danamon) 2011-2016. The data are obtained from the Publication Financial Report published by Bank Indonesia with the period of 2011 to 2016. The analytical techniques used in multiple linear regression research. The results showed that simultaneously there is significant influence between CAR, LDR and ROE together to share price of Bank Danamon. The magnitude of the influence is 57.4%, while the rest of 42.6% influenced by other factors outside the research or outside the regression equation. The partial result shows that Capital Adequacy Ratio (CAR) and Loan to Deposit Ratio (LDR) have significant effect to Bank Danamon Share price, while Return On Equity (partially ROE) has no significant effect on Bank Danamon Share price.*

**Keywords: Capital Adequacy Ratio (CAR), Loan to Deposit Ratio (LDR), Return On Equity (ROE) and Share Price**

**1. INTRODUCTION**

The capital market in Indonesia implemented by the Indonesia Stock Exchange has recently grown rapidly, marked by the number of companies that have gone public in Indonesia. Companies go public make the capital market as an alternative institution to obtain the resources needed for the development of the company. Investors make an investment to earn the profit or often called the best return, return obtained by investors from two sources, namely in the form of dividends and share price increases in the stock market. The rise and fall of the share price is basically the main concern of investors investing

rather than expecting regular dividend payout and there is no guarantee of dividend payout even if the company earns a profit, and if it is noticed then the return rate of the dividend payout is essentially less than the return earned from rise in share prices.

Investor's consideration in buying and selling stock transactions is of course influenced by various factors such as a micro factor of the company and macroeconomic factor. The micro factor (internal company) that influences the stock trading transaction is in the form of share price, profit level, risk level, corporate performance and corporate action done by the company, while macro factor (external company)



is the rate of inflation development, exchange rate or the rupiah exchange rate, the state of the economy and the socio-political conditions of the country concerned. Actual and accurate information on these factors is needed to reduce investment risk.

Financial information as an instrument of financial data is expected to describe the state of economic reality that occurred at a certain period. Testing of financial information content will be able to influence the market reaction of the share price level. One alternative to know the financial information that is useful to predict share prices is through the analysis of financial ratio. Seperangkat main financial statements cannot provide maximum benefits for users, before the user to analyze the financial statements in the form of financial ratios. Sartono(2008:114) mentions there are four types of financial ratios, namely: liquidity ratio, activity ratio, leverage ratio and profitability ratio. Such an approach is generally referred to as fundamental analysis.

In addition to fundamental analysis as mentioned, there is another approach by investors to estimate share prices, ie by technical analysis. Technical analysis is to analyze share prices based on information that reflects the conditions of stock trading, market conditions, demand and supply price in the stock market, exchange rate fluctuations, and transaction volume in the past. The technical analysis confirms that share price changes occur based on the pattern of share price behavior itself so it tends to happen again. The basic assumption of technical analysis is that the sale and purchase of shares is a speculating activity (Husnan,2005: 341).

The financial statements of the company have valuable information content for investors. The company's financial statements provide an overview of the company's performance, cash flow, and other information related to the financial statements. This information allows investors to conduct a stock valuation process that reflects the relationship between fund risks and returns that match the preferences of each investor.

To assess the company's financial condition and achievement compared with similar companies that are also listed on the same stock exchange for investment decision purposes, financial analysis requires several benchmarks. The commonly used

benchmark is the ratio or index, which links the two financial data to one another. Analysis and interpretation of various ratios can provide a better view of the company's financial and financial performance for analysts.

According to Abdullah (2005: 120), the ratio commonly used in measuring the financial performance of banks is the ratio of solvency (capital adequacy), liquidity ratio and profitability ratio. The ratio describing the solvency of the bank is the Capital Adequacy Ratio (CAR), while the liquidity ratio of a bank can be measured by the Loan to Deposit Ratio (LDR) ratio and the ratio that describes the profitability of the bank is Return on Equity (ROE).

## 2. LITERATURE REVIEW

### 2.1 Financial Statement Analysis

In a company, a financial analyst often measures his company's financial performance by using a measure called ratio. The ratio is a systematic formulation of the relationship or correlation between the financial data. Ratio analysis is a technique of financial analysis that is often used to determine the exact financial performance of the company.

Sawir(2003:6) states that the financial ratio is one tool to assess the performance and financial condition of the company. Financial ratio analysis estimates the reaction of creditors and investors in giving a view of how approximately funds can be obtained.

Financial ratio analysis according to Sawir (2003: 6) includes two types of comparison:

- a) The analysis can compare the current ratio with the past and the future for the same company (internal comparison). If the financial ratios are presented in the list for a period of several years, the analysis can study the composition of the changes and determine whether there has been an improvement or even vice versa. Financial ratios can also be calculated based on performance or projected financial statements and compared to current and past ratios.
- b) The analysis can compare the ratio of firms to the like or to the industry average



at the same point (external comparison). This comparison provides a relative picture of the financial condition and achievement of a company by comparing the financial ratios of one company with another similar company in order to provide realistic considerations.

The use of financial ratio analysis varies greatly in its implementation and will be largely determined by those who use it. Financial ratio analysis will only provide a financial picture from one side only so it requires additional information to be more useful in decision making. Therefore, financial ratio analysis is only useful when compared to a certain standard that is clear and in accordance with management objectives.

### **2.2 Capital Adequacy Ratio (CAR)**

According to Dendawijaya(2005:121) Capital Adequacy Ratio(CAR) is a ratio that shows how big the total assets of banks that contain elements of risk (credit, investments, securities, bills with other banks) are financed from the bank's own capital, -data from sources outside the bank, such as public funds, loans (debt), and others. In other words, Capital Adequacy Ratio (CAR) is the ratio of the minimum capital fulfillment obligation that must be owned by the bank. According to Rivai, Veithzal, Idrus(2007:713) Capital Adequacy Ratio (CAR) as one indicator of the ability of banks in closing the decline in assets as a result of losses suffered by banks.

According to Kuncoro and Suhardjono (2011:519), capital adequacy Ratio (CAR) is the capital adequacy that shows the bank's ability to maintain sufficient capital and the bank's management capability in identifying, measuring, controlling and controlling risks that may affect the amount of capital bank.

For the current minimum CAR of 8% of Risk Weighted Assets (ATMR), or added to Market Risk and Operational Risk, this depends on the condition of the bank concerned. The CAR stipulated by Bank Indonesia shall refer to international standards/standards issued by (BIS) Banking for International Settlements (Riyadi, 2006: 161).

CAR is an indicator of the bank's ability to cover its declining activity as a result of bank losses caused by risky assets. Based on the provisions made

by Bank Indonesia in the framework of the bank soundness assessment, there is a provision that bank capital consists of core capital and complementary capital.

### **2.3. Loan to Deposit Ratio (LDR)**

Definition of Loan to Deposit Ratio (LDR) according to Martono(2002: 82) is the ratio to determine the ability of banks in repaying liabilities to customers who have invested with credit that has been given to the debtors.

According to Mulyono(2001:101), Loan to Deposit Ratio (LDR) is the ratio of the ratio between the amount of funds disbursed to the community (credit) with the amount of public funds and own capital used. This Loan to Deposit Ratio (LDR) describes the ability of banks to repay the withdrawals by depositors' customers by relying on the credits given as their liquidity.

Dendawijaya(2005:11) defines the Loan to Deposit Ratio (LDR) is a measure of how far the ability of banks to refinance the withdrawal of funds made by depositors by relying on credit given as a source of liquidity. Scott and Timothy (2006: 581) mention that "many banks and bank analyst monitor Loan to Deposit Ratio as the general measure of liquidity". That is, all banks see Loan to Deposit Ratios as a measure of bank liquidity. While Agustinus in his book entitled Indonesian Banking Issues states that Loan to Deposit Ratio is a comparison between loans disbursed banks to third-party fund accumulation.

The Loan to Deposit Ratio (LDR) states how far the bank's ability to repay the withdrawal of funds by depositors by relying on the credits given as a source of liquidity.

The higher the ratio gives an indication of the lower the bank's liquidity capability. This is because the amount of funds needed to finance the credit becomes greater. The procedure of bank soundness rating, Bank Indonesia stipulates the following provisions.

a. For LDR ratio of 110% or more given a credit score of 0, meaning that the bank's liquidity is considered unhealthy.

b. For LDR ratio below 110% given 100 credit score, it means that the bank's liquidity is considered healthy.



This ratio is also a vulnerability and ability of the bank situation, some banking practitioners agree that the safe limit of Loan to Deposit Ratio of a bank is about 80%, but the tolerance limit is between 85% and 100%. Therefore, Loan to Deposit Ratio is one important aspect that must be considered by a bank business as best as possible, in order to keep always awake healths do not get bank condition become ilikuid. This would indicate that the health condition of the bank will certainly deteriorate, even bankruptcy may occur in the bank's business.

Loan to Deposit Ratio (LDR) shows the ability of banks to provide funds to debtors with capital owned by banks or collected from the public (Taswan, 2006: 45).

#### **2.4. Return On Equity (ROE)**

The Return on Equity (ROE) ratio is used to measure the performance of bank management in managing available capital to generate profit after tax. The greater the ROE, the greater the level of profit achieved by the bank so that the possibility of a bank in troubled conditions is getting smaller. Profit after tax is net income from operating activities after tax deductions while the average total equity is the average of core capital held by the bank, the calculation of core capital is done based on the provisions of the applicable minimum capital liability.

Return on Equity (ROE) compares net income after tax with equity invested by company shareholders (Horne and Wachowicz, 2005: 225). This ratio shows the power to generate the return on investment based on the shareholder value of books and is often used in comparing two or more companies for good investment opportunities and cost-effective management. According to Tandelilin (2002:269), Return on Equity (ROE) reflects how much the company has earned on funds that have been invested by shareholders (either directly or with retained earnings).

According to Gibson (2001:294): "Return on Equity (ROE) measures the return to the common stockholders of the residual owner". Returns on equity consisting of ordinary shares (Return on Common Equity) are a measure of return on profit to ordinary shareholders.

ROE calculation results close to the value of 1 show the more effective and efficient use of the company's equity to generate income, vice versa if the

ROE approaching the value 0 means the company is not able to manage capital efficiently available to generate income.

In this case, if the ROE ratio is higher than the higher the net profit obtained from the owner's capital. This is an attraction for investors that can increase the value of shares of the company concerned.

#### **2.5. Capital Market**

The capital market is a state financial institution whose activities are in terms of supply and trading of securities (securities). The capital market can be interpreted as a professional institution dealing with securities sale and public securities related securities. So that the common capital market is known as a meeting place for sellers and buyers of capital or funds.

According to Darmadji and Fakhruddin (2006:1), the definition of capital markets is a market for various long-term financial instruments that can be traded, either in the form of debt, equity (stock), derivative instruments, or other instruments. The capital market is a means of financing for companies and other institutions (eg government) and means for investment activities.

According to Husnan (2005:3) the meaning of capital markets which formally as a market for various long-term financial instruments (securities) that can be traded either in the form of debt, equity (stock), instrument derivatives, and other instruments. Meanwhile, according to Sunariyah (2006:5) understanding of capital markets is a meeting between the offers with the demand for securities. Places where individuals or entities with excess funds invest in securities offered by the issuer.

#### **2.6. Share Price**

According Darmadji and Fakhruddin (2006:5) Shares are as a sign of participation or possession of a person or entity within a company. Meanwhile, according to Gitman (2007:7) shares are the purest form of ownership of the company. According to Sunariyah (2006: 126-127) in question, the stock is a securities issued by a company in the form of Limited Liability Company (PT) or commonly called the issuer.

Shares are a sign of participation or possession of a person or entity within a company or limited liability company (Hendy, 2010: 6). The portion of





ownership is determined by how much inclusion is invested in the company. Shares are proof of equity ownership or capital in a company (Fahmi, 2012: 81).

By owning shares of an enterprise, the investor will have a right to the income and wealth of a company. The bigger the stock he owns, the greater his power in the company. Profits derived from shares are known as dividends. The dividend distribution is determined at the General Meeting of Shareholders (GMS).

**Types of Shares**

According to Kashmir (2005: 180) shares can be divided into two groups, namely:

**1. From the Transition Facet**

a. Shares on the show, are shares that have no name or not written the name of the owner in the shares. This type of stock is easy to divert or sell to other parties.

b. Shares on behalf of, are shares with the name of the owner and to be transferred to other parties required certain terms and procedures.

**2. In terms of Billing Rights**

a. Ordinary shares, the owner of this share the right to obtain dividend is not preferred because dividend will take precedence to preferred stock. Likewise with the right to property when the company is liquidated.

b. Preferred Shares are shares whose holders enjoy the principal right of dividends and assets if at the time the Company is liquidated.

**Profit and Loss of Share Ownership**

There are advantages and disadvantages in stock ownership, including:

**1. Profit Share Ownership**

a. Investments in stocks are quite liquid and easy to transfer, easily traded with relatively low transaction costs.

b. Opportunity to get big enough result in the form of capital gain because of share role in company profit.

c. The unit of stock cost is usually low enough to be affordable to investors.

**2. Share Ownership Losses**

a. The risk is high enough in the form of business risk; financial risk and market risk that negatively affect dividends.

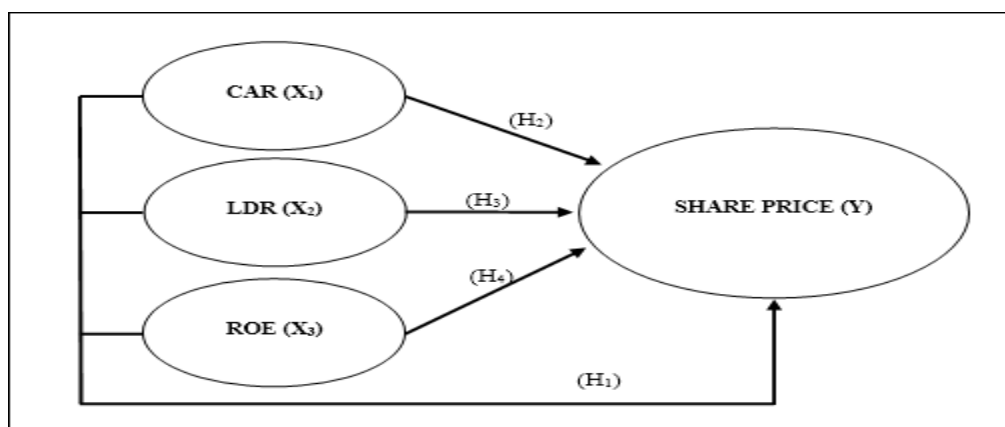
b. Difficulty in assessing and selecting outstanding shares in the future.

**3. RESEARCH METHODS**

**3.1. Research Design**

The research object chosen by the researcher is PT Bank Danamon Indonesia, Tbk engaged in banking and acting as Private Owned Enterprise (BUMS) with the task of supporting the smoothness of payment mechanisms, collecting public funds, supporting the smoothness of international transactions, the storage of valuables and provision of other services.

In an effort to give a comprehensive picture of the variables that become the focus of discussion, it can be arranged as the chart below:



**Figure 1. Conceptual Framework of Research Model**



Based on Figure 1, the researcher describes the factors that influence the share price of Bank Danamon (BDMN). These factors are internal factors which are the financial performance of the company in the form of financial indicators that can be calculated. The financial indicators used are Capital Adequacy Ratio (CAR), Loan to Deposit Ratio (LDR) and Return on Equity (ROE).

**3.2 Population and Sample**

The population in this study is Bank Danamon listed on the Indonesia Stock Exchange since 1989 with the code of BDMN issuer. The sample of this study was taken on the basis of purposive sampling, the sample is determined based on certain considerations that aim for data obtained can be more representative (Sugiyono, 2013: 21). Sample criteria in this research are:

1. Banks that have gone public and remain registered for the period 2011 to 2016.
2. The Bank publishes its financial statements during the year of observation (2011-2016).
3. The financial statements issued have the complete data required.

**3.3 Data Collection Method**

The data collected in this research is secondary data so that data collection method using nonparticipant observation. The data in the form of Capital Adequacy Ratio(CAR), Loan to Deposit Ratio (LDR) and Return on Equity(ROE) variables obtained from the financial statements published by companies that become the object of research, namely Bank Danamon which is one of conventional commercial banks which is listed in Indonesia Stock Exchange (IDX) period 2011-2016 ([www.idx.co.id](http://www.idx.co.id)).

In addition to the above-mentioned sources, field research is also conducted through data from Bank Indonesia's published financial statements ([www.bi.go.id](http://www.bi.go.id)) in the same period as the period used

in the financial statements at the Indonesia Stock Exchange. Share prices are obtained through the Indonesian Stock Exchange(IDX), the Indonesian Capital Market Directory(ICMD) and the World Investment website ([www.duniainvestasi.com](http://www.duniainvestasi.com)).

**4. RESULT AND DISCUSSION RESULT**

**4.1 Research Results**

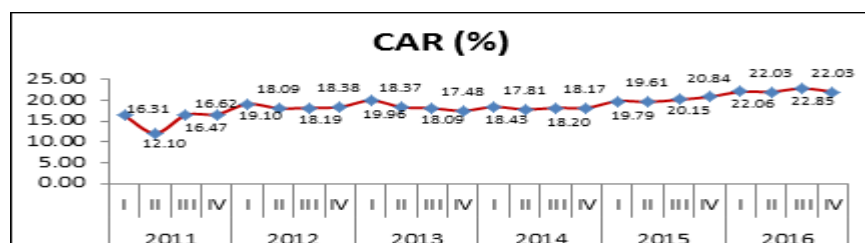
The general overview of the results of this study illustrates the overall acquisition of data(variables) used in describing the movement of variables for the entire observation period. In this research used Capital Adequacy Ratio(CAR), Loan to Deposit Ratio(LDR), and Return On Equity(ROE) as the independent variable and share price variable as the dependent variable.

**a. Capital Adequacy Ratio (CAR) of Bank Danamon Period 2011-2016**

Capital Adequacy Ratio(CAR) in this research is obtained by comparing Equity Capital with Total Loan (lending) plus Securities (securities), also called capital adequacy ratio. CAR data used in this research is CAR data per quarter PT. Bank Danamon Indonesia obtained from Bank Indonesia website <http://www.bi.go.id> and the official website of Bank Danamon <http://www.danamon.co.id> in the period 2011-2016.

Table 1 show that the highest CAR level in the 2011 - 2016 observation periods occurred in the third quarter of 2016 of 22.85% and the lowest CAR level in the study period of 12.10% occurring in the second quarter of 2011.

Capital Adequacy Ratio (CAR) in this study as a whole fluctuated and from the beginning of the period until the end of the study period experienced an increasing trend, as illustrated in the following graph:



Source: Data processed by researchers, 2016

**Figure 2. Graph of CAR from Bank Danamon Period 2011-2016**



**Table 1. Capital Adequacy Ratio (CAR) of Bank Danamon Period 2011 - 2016**

Year	Quarter	CAR (%)
2011	I	16,31
	II	12,10
	III	16,47
	IV	16,62
2012	I	19,10
	II	18,09
	III	18,19
	IV	18,38
2013	I	19,96
	II	18,37
	III	18,09
	IV	17,48
2014	I	18,43
	II	17,81
	III	18,20
	IV	18,17
2015	I	19,79
	II	19,61
	III	20,15
	IV	20,84
2016	I	22,06
	II	22,03
	III	22,85
	IV	22,03

Source: Data processed by researchers, 2016

***b. Loan to Deposit Ratio (LDR) of Bank Danamon Period 2011 - 2016***

The Loan to Deposit Ratio (LDR) states how far the bank's ability to repay the withdrawal of depositor funds by relying on the credit given as a source of liquidity. The Loan to Deposit Ratio(LDR) reflects the bank's expansion in lending as a source of operating income.

In this research, the Loan to Deposit Ratio(LDR) data used is the Loan to Deposit Ratio(LDR) per quarter of PT Bank Danamon Indonesia obtained from Bank Indonesia website <http://www.bi.go.id> and the official website of Bank Danamon <http://www.danamon.co.id> in the period 2011 - 2016.



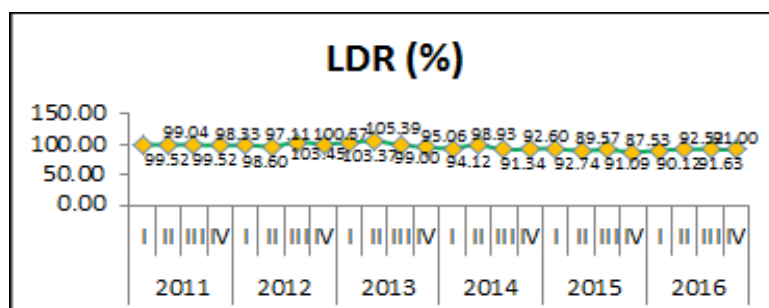
**Table 2. Loan to Deposit Ratio (LDR) of Bank Danamon Period 2011 - 2016**

Year	Quarter	LDR (%)
2011	I	99,52
	II	99,04
	III	99,52
	IV	98,33
2012	I	98,60
	II	97,11
	III	103,45
	IV	100,57
2013	I	103,37
	II	105,39
	III	99,00
	IV	95,06
2014	I	94,12
	II	98,93
	III	91,34
	IV	92,60
2015	I	92,74
	II	89,57
	III	91,09
	IV	87,53
2016	I	90,12
	II	92,52
	III	91,63
	IV	91,00

Source: Data processed by researchers, 2016

Table 2 shows that the highest Loan to Deposit Ratio (LDR) of Bank Danamon in this study period was 105.39% in the second quarter of 2013. As for the lowest Loan to Deposit Ratio(LDR)

occurred in the fourth quarter of 2015 amounted to 87.53%. Bank Danamon's Loan to Deposit Ratio (LDR) data according to Table 2 above can be illustrated in the graph as follows:



Source: Data processed by researchers, 2016

**Figure 3. Graph of LDR from Bank Danamon Period 2011 - 2016**



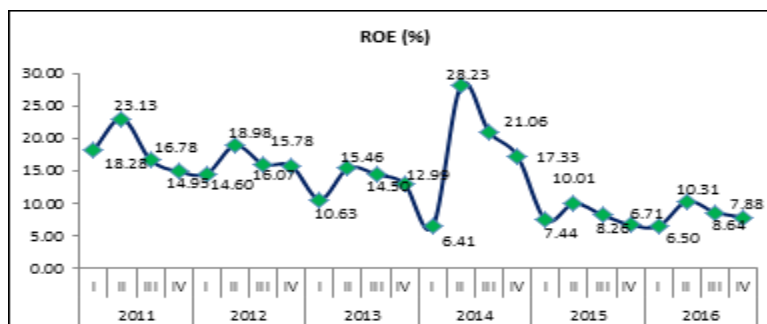


**c. Return on Equity (ROE) of Bank Danamon Period 2011 - 2016**

Return on Equity (ROE) in this research is obtained by comparing between net income (net income) with total equity of the company (total equity). ROE data used is ROE data per quarter of Bank Danamon period 2011 - 2016 obtained from Bank Indonesia official website <http://www.bi.go.id> and Bank Danamon's official website, <http://www.danamon.co.id>.

In Table 3 shows that the highest return on Equity (ROE) of Bank Danamon in the period of this study is 28.23% which occurred in the second quarter of 2014. As for the lowest Return on Equity (ROE) occurred in the first quarter of the same year which amounted to 6.41%.

In the research period of 2014, there was a significant fluctuation in Bank Danamon's ROE, especially in the first and second quarters, as illustrated in the graph in Figure 4.



Source: Data processed by researchers, 2016

**Figure 4. Graph of ROE from Bank Danamon Period 2011-2016**

**Table 3. Return On Equity (ROE) of Bank Danamon Period 2011-2016**

Year	Quarter	ROE (%)
2011	I	18,28
	II	23,13
	III	16,78
	IV	14,95
2012	I	14,60
	II	18,98
	III	16,07
	IV	15,78
2013	I	10,63
	II	15,46
	III	14,50
	IV	12,99
2014	I	6,41
	II	28,23
	III	21,06
	IV	17,33
2015	I	7,44
	II	10,01
	III	8,26
	IV	6,71
2016	I	6,50
	II	10,31
	III	8,64
	IV	7,88

Source: Data processed by researchers, 2016



**d. Share price of Bank Danamon Period 2011-2016**

Observation of share price as the dependent variable in this research gives a quite varied picture. This can be seen from changes in share prices each quarter from year to year different. The share price used in this study is the legal closing price at the end of each month in the period of the financial statements of Danamon Bank listed on the Indonesia

Stock Exchange(BEI) from 2011 to 2016. Data obtained from the Indonesia Stock Exchange(BEI) website, <http://www.idx.co.id> and World Investment <http://www.duniainvestasi.com> in the period 2011 - 2016.

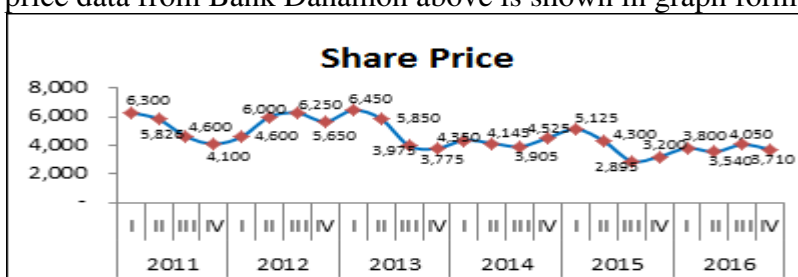
Based on observations made from the data obtained in Table 4, Bank Danamon's share price experienced a downward trend in the study period:

**Table 4. Share Price Bank Danamon Period 2011-2016**

Year	Quarter	Share Price (IDR)
2011	I	6.300
	II	5.826
	III	4.600
	IV	4.100
2012	I	4.600
	II	6.000
	III	6.250
	IV	5.650
2013	I	6.450
	II	5.850
	III	3.975
	IV	3.775
2014	I	4.350
	II	4.145
	III	3.905
	IV	4.525
2015	I	5.125
	II	4.300
	III	2.895
	IV	3.200
2016	I	3.800
	II	3.540
	III	4.050
	IV	3.710

Source: Data processed by researchers, 2016

The share price data from Bank Danamon above is shown in graph form as follows.



Source: Data processed by researchers, 2016

**Figure 5. Graph of Share Price from Bank Danamon Period 2011-2016**



During the 2011 to 2016 research period, Bank Danamon's share price was the highest in the first quarter of 2013 at Rp 6,450. While the lowest share price occurred in the third quarter of 2015 with a share price of IDR 2,895 rupiahs.

**4.2 Discussion**

**1. Simultaneous Influence between CAR, LDR, and ROE against Share Price PT Bank Danamon**

The simultaneous significance test is done to know whether the Capital Adequacy Ratio (CAR), Loan to Deposit Ratio(LDR) and Return on Equity (ROE) simultaneously really have a significant influence on the rate of share price change.

**Table 5. Results of Hypothesis Test Simultaneously With F Test**

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	,127	3	,042	8,965	,001 <sup>b</sup>
	Residual	,095	20	,005		
	Total	,222	23			
a. Dependent Variable: Share Price						
b. Predictors: (Constant), Return On Equity, Loan to Deposit Ratio, Capital Adequacy Ratio						

Source: Data processed by researchers, 2016

Based on Table 5 above, obtained F count of 8,965. While the value of F table of 3.098 obtained from two-sided test with a significance level of 0.05 (df1 = 4-1 = 3 and df2 = 24-4 = 20). Thus F count > F table or 8.965 > 3.098 then H0 is rejected and H1 is accepted. This means that together independent variables CAR, LDR, and ROE have a significant effect on the share price of Bank Danamon.

Can also be done by looking at the value of P Sig. P In Table 5, obtained value of PSig0.001 is smaller than the level of trust 0.05 or 0.001 < 0.05.

Therefore, it can be concluded that Capital Adequacy Ratio(CAR), Loan to Deposit Ratio(LDR) and Return on Equity(ROE) together have the significant effect on Bank Danamon share price.

**2. Partial Influence Capital Adequacy Ratio (CAR) Against Share Price Bank Danamon**

The partial significance test is used to test the ability (significance) partially independent variables in explaining the dependent variable. To test the hypothesis used t-test that researchers put in Table 6.

**Table 6. Results of Partial Hypothesis Testing of CAR on Bank Danamon Share price**

Model	Standardized Coefficients	t	Sig.	
				Beta
1	(Constant)		26,748	,000
	Capital Adequacy Ratio	-,474	-2,522	,019
a. Dependent Variable: Share Price				

Source: Data processed by researchers, 2016

For test the partial relation of independent variable to dependent variable significant or not, that is t count compared with t table with level  $\alpha = 0,05$  result is t table = 2,074 seen from t distribution table (degrees of freedom = n - 2; (24 - 2 = 22), with a two-tailed test = 0.025).

Based on Table 6, the CAR variable has a t the value of -2.522 (with a negative sign) and the value P sig 0.019. If the value of t is negative, then the test is done on the left side, so the t value of the table must

be negative. The negative number t is not minus (count) but has the meaning that hypothesis testing is done on the left side of the curve. The t value table (two-way test) with a confidence interval of 95% or  $\alpha = 5\%$  is 2.074 than to -2.074 because of the hypothetical test on the left side. This means the value of t arithmetic(-2.522) < t table (-2,074) and P sig (0,019) <  $\alpha$  (0,05) then H2 is accepted. Thus means Capital Adequacy Ratio (CAR) partially significant



effect on share prices of PT Bank Danamon Indonesia.

**3. Partial Effect of Loan to Deposit Ratio (LDR) on Bank Danamon Share price**

The results of partial significance test the researchers put on the table below

**Table 7. Partial Hypothesis Test Result of LDR Against Bank Danamon Share price**

Model	Standardized Coefficients Beta	t	Sig.
	Loan to Deposit Ratio	5,328	,000

a. Dependent Variable: Share Price

Source: Data processed by researchers, 2016

Based on Table 7, the LDR variable has a t value of 5.328 and a significance value of 0.000. The t value table (two-way test) with a confidence interval of 95% or  $\alpha = 5\%$  is 2.074. This means the value of t arithmetic (5.328) > ttable (2.074) and  $P_{sig} (0,000) < \alpha (0,05)$  then H3 is accepted. Thus, the Loan to Deposit

Ratio (LDR) partially has a significant effect on Bank Danamon's share price.

**4. Partial Influence Return On Equity (ROE) Against Bank Danamon Share price**

Partial significance test obtained through calculation using SPSS Ver. 20.0 as the table below

**Table 8. Hypothesis Test Results Partially ROE Against Share price Bank Danamon**

Model	Standardized Coefficients Beta	t	Sig.
	Return On Equity	2,064	,051

a. Dependent Variable: Share Price

Source: Data processed by researchers, 2016

Based on Table 8, the ROE variable has a t value of 2.064 and a significance value of 0.051. As for the value of t table (two-way test) with a confidence interval of 95% or  $\alpha = 5\%$  is 2.074. This means the value of t arithmetic (2.064) < ttable (2.074) and  $P_{sig} (0,051) > \alpha (0,05)$  then H4 is rejected. Thus means Return On Equity(ROE) is partially no significant effect on the share price Bank Danamon.

**5. CONCLUSION**

The main purpose of this research is to know how much influence of Capital Adequacy Ratio (CAR), Loan to Deposit Ratio(LDR) and Return On Equity(ROE) simultaneously to share price at PT Bank Danamon Indonesia, to know how big influence Capital Adequacy Ratio(CAR), Loan to Deposit Ratio(LDR) and Return On Equity(ROE) partially to share price at PT Bank Danamon Indonesia, and to prove the consistency of the previous research result.

*From the research that has been done can be concluded as follows:*

1. The resulting linear regression model can be accepted as a good model and meets the principle of BLUE (Best Linear Unbiased Estimator) because all the analysis of classical assumption assay performed on the residual linear regression model yields the values as expected. In the normality test, the Scatter plot histogram appears spreading points and Probability Sig value(2 tailed) is 0.987 > 0.05, the result indicates that the regression meets the assumption of normality. Multicollinearity test results showed VIF(Variance Inflation Factor) value of each variable less than 10, VIF value CAR 2,170; VIF LDR value of 1.469; and the value of VIF ROE 2,128. While the tolerance value of each independent variable > 0.1. The tolerance value of CAR 0,461 was obtained; LDR tolerance value 0.681; and a tolerance value of ROE of 0.470. Thus it can be concluded that



there is no Multicollinearity to the data being tested. In the heteroscedasticity test, it is known that the probability value of each independent variable has a significance value greater than 0.05. The CAR variable has a significance value of 0.434. While the LDR variable has a significance value of 0.949 and the ROE variable has a significance value of 0.907. All values are greater than 0.05 then it is concluded that the model does not experience heteroscedasticity problems. In the autocorrelation test, it is seen that the probability of the Durbin-Watson value of 1,414 is significantly greater than 0.05, it can be ascertained that the model in this study did not experience autocorrelation symptoms.

2. Based on the results of analysis and discussion can be concluded that the value of Fhitung is 8.965. At the error rate  $\alpha = 5\%$ , then the value of Fhitung is greater than F table (3.098) and significance value  $0.001 < 0.05$  then concluded H1 accepted. This means that the variables CAR (X1), LDR (X2) and ROE (X3) together have a positive and significant influence on share prices(Y) PT Bank Danamon Indonesia.

3.Capital Adequacy Ratio(CAR) partially has a negative and significant effect on share price of PT Bank Danamon Indonesia, based on the partial test result of CAR variable (X1) has t count value equal to -2.522 (with negative sign) and significance value 0,019. While the t table value (two-way test) with a confidence interval of 95% or  $\alpha = 5\%$  is 2.074. This means  $t \text{ count } (2,522) > t \text{ table } (2,074)$  and  $P_{sig} (0,019) < \alpha (0,05)$ .

4.Loan to Deposit Ratio (LDR) has a positive and significant impact on the share price of PT Bank Danamon Indonesia, as evidenced by the t count of

5.328 and the significance value of 0,000 while the t table (two-way test) with the confidence interval 95% or  $\alpha = 5\%$  is 2.074. This means  $t \text{ count } (5,238) > t \text{ table } (2,074)$  and  $P_{sig} (0,000) < \alpha (0,05)$ .

5.Return On Equity (ROE) has no significant effect on share price of PT Bank Danamon Indonesia, according to the partial test result, ROE has t count value 2,064 and significance value 0,051 while t table value (two-way test) with confidence interval 95% or  $\alpha = 5\%$  is 2.074. This means  $t \text{ count } (2,064) < t \text{ table } (2,074)$  and  $P_{sig} (0,051) > \alpha (0,05)$ .

***With all the limitations and humility of researchers, then a little suggestion that can be submitted based on analysis of research results and discussion are as follows:***

1.Capital Adequacy Ratio (CAR) and Loan to Deposit Ratio (LDR) variables need to be maintained because these variables have a significant influence on share prices at PT Bank Danamon Indonesia. While the variable Return on Equity (ROE) still need to be considered again because this variable has a not significant influence on share prices PT Bank Danamon Indonesia.

2.The research related to financial performance should be added several other banking financial ratios, including solvency ratio (Primary Ratio, Risk Assets Ratio, Capital Ratio), profitability ratio(Gross Profit Margin, Nett Profit Margin, Return On Assets), and addition of several ratios liquidity (Quick Ratio, Investing Policy Ratio, Asset to Loan Ratio, Cash Ratio) and others.

3.The next researcher is also advised to enlarge the sample and time span of the study, not only limited to the year of research used in this study.

## REFERENCES

- Brigham, 2001, Financial Management : Theory and Practice, Edisi Kesebelas, South Western Cengage Learning, USA.
- Dendawijaya, 2005,Manajemen Perbankan, Ghalia Indonesia, Jakarta.
- Darmadji, dan Muhamad Fakhruddin, 2006, Pasar Modal Indonesia, Salemba Empat, Jakarta.
- Fahmi, 2012, Pengantar Pasar Modal, Edisi 1, Alfabeta, Bandung.
- Fahmi, 2012, Manajemen Investasi Teori dan Soal Tanya Jawab, Salemba Empat, Jakarta.





©Center for Promoting Education and Research (CPER) USA, [www.cpernet.org](http://www.cpernet.org)

- Ghozali, 2007, Aplikasi Analisis Multivariate dengan Program SPSS, BPFE Universitas Diponegoro, Semarang.
- Gitman, dan J. Lawrence, 2007, Principles of Managerial Finance, Edisi Kesebelas, Pearson, Boston.
- Gujarati, 2000, Ekonometrika Dasar, Erlangga, Jakarta.
- Hanafi, 2013, Analisis Laporan Keuangan, UPP STIM YKPN, Yogyakarta.
- Hendy, 2010, Dasar-dasar Pembelajaran Perusahaan, BPFE, Yogyakarta.
- Hidayat, 2010, Fundamental of Financial Management Prinsip-prinsip Manajemen Keuangan, BPFE, Yogyakarta.
- Husnan, 2010, Teori Portofolio & Analisis Sekuritas, UPP STIM YKPN, Yogyakarta.
- Irham, 2012, Pengantar Pasar Modal, Edisi 1, Alfabeta, Bandung.
- Kasmir, 2005, Manajemen Perbankan, PT Raja Grafindo Persada, Jakarta.
- Martono, 2002, Manajemen Keuangan, Ekonisia, Yogyakarta.
- Mulyono, 2001, Manajemen Perkreditan Bagi Bank Komersil, BPFE, Jakarta.
- Resti, Widya, 2009. Pengaruh Capital Adequacy Ratio (CAR) dan Loan to Deposit Ratio (LDR) terhadap Harga Saham Pada Perusahaan Perbankan, UIR, Pekanbaru.
- Rivai, dan Andria Permata Veithzal, 2007, Credit Management Handbook, Raja Grafindo Persada, Jakarta.
- Riyadi, 2006, Banking Assets and Liability Management, FE Universitas Indonesia, Jakarta.
- Saputra, 2005. Analisis Rasio Keuangan dan Pengaruhnya Terhadap Harga Saham Perusahaan Perbankan dan Lembaga Keuangan, FE Universitas Islam Riau, Pekanbaru.
- Sartono, 2008, Manajemen Keuangan Bisnis, edisi keempat, BPFE, Yogyakarta.
- Shim, 2001, Kamus Istilah Akuntansi, Gramedia, Jakarta.
- Silalahi, 2006, Metode Penelitian Sosial, Refika Aditama, Bandung.
- Sugiyama, 2008, Metode Riset Bisnis dan Manajemen, Guardaya Intimarta, Bandung.
- Sugiyono, 2013, Metode Penelitian Bisnis, Alfabeta, Bandung.
- Suhardjono, dan Mudrajad Kuncoro, 2011, Manajemen Perbankan, BPFE, Yogyakarta.
- Sunariyah, 2006, Pengantar Pengetahuan Pasar Modal, Edisi Kelima, UPP STIM YKPN, Yogyakarta.



Supranto, 2011, Statistik Teori dan Aplikasi, Edisi Kelima, Erlangga, Jakarta.

Taswan, 2006, Manajemen Perbankan, Konsep Teknik, dan Aplikasi, UPP-STIM YKPN, Yogyakarta.

Van Horne, James C. Dan Jhon Machowicz, 2005. Prinsip-prinsip Manajemen Keuangan, Diterjemahkan oleh Aria Farahmita, Amanugrani, dan Taufik Hendrawan, Edisi Kedua Belas, PT Salemba Empat, Buku Satu, Jakarta.

Widioatmojo, 2005, Pasar Modal Indonesia, Ghalia Indonesia, Jakarta.

Yessica, 2010, Pengaruh CAR, LDR, ROE dan ROA Terhadap Harga Saham Pada Sektor Perbankan Yang Terdaftar di BEI Periode 2004-2008, FE Universitas Islam Riau, Pekanbaru.

Sumber dari website:

<http://www.bi.go.id/> [16/06/2016]

<http://www.danamon.co.id/> [16/06/2016]

<http://www.duniainvestasi.com/> [06/09/2016]

<http://www.idx.co.id/> [06/11/2016]

<http://www.infobanknews.com/> [14/11/2016]