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THE INFLUENCE OF FINANCIAL PERFORMANCE AND FINANCIAL DISTRESS ON STOCK RETURN

(Empirical Study on the Private Non-Devisa Banks which Go Public and Are Listed in Indonesia Stock Exchange in the Period of 2010-2014)

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Abstract **- This journal is aimed at analyzing and knowing the influence of Debt to Asset Ratio, Return on Asset, Operating Expense to Operating Income (BOPO), and Loan to Deposit Ratio variables on stock return experienced by the Private Non-Devisa Banks which go public and listed in Indonesia Stock Exchange in the period of 2010-2014. The method of data analysis uses multilinear regression analysis with secondary data. The results of this research show that DAR does not significantly influence stock return, ROA does not significantly influence stock return, BOPO does not significantly influence stock return, LDR does not significantly influence stock return and simultaneously DAR, ROA, BOPO and LDR variables do not significantly influence stock return. Based on the coefficient of determination, the ability of the independent variables to explain the variation in the dependent variable is 47.9%, and the rest of 52.1% is explained by other variables.**

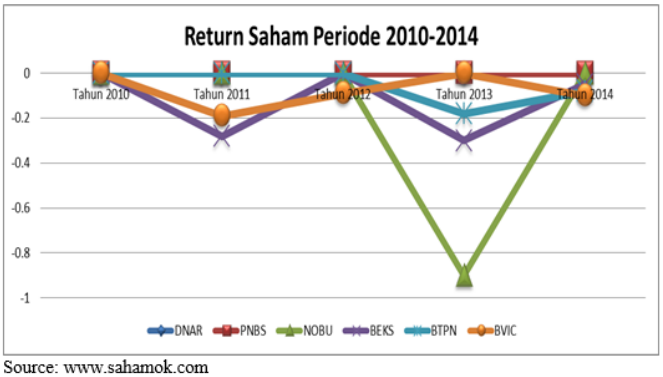
Keyword- **Debt to Asset Ratio, Return on Asset, Operating Expense to Operating Income, Loan to Deposit Ratio, and Stock Return.**

I. INTRODUCTION

Capital market is a market which trades securities like stock, bond, warrant, right, and various derivative products such as option, futures, forward, and others. Capital market is one of the institutions that mobilize public funds by providing facilities or a place to confront buyers and sellers. In this case, capital market has an economic function to provide facilities or media which confront two interests, namely those who have more funds and those who need funds. One of the most popular capital market instruments is stock. Stock is a title deed over the assets of the company issuing it. The companies issuing their stocks in the capital market are called go public companies. The go public companies comprise various types of companies classified into certain sector based on their businesses. One of the sectors is banking. Based on this statement, it is necessary to study the interest of investors to invest in the banking sector. Investors are surely interested in investing their funds in the industries that can give high stock return (profit). Stock return is the gain from the investment in stock. The return can be realized return, i.e. the return that has occured, or expected return, i.e. the return that is expected to occur in the future (Jogiyanto, 2003:109). To obtain high return, of course, there are factors that must be paid attention and considered by the investors. The companies that sell their stocks to public (investors) intend to increase their working capital, to expand their business and product diversification. In order to attract investors, they must be able to show their financial performance. Investors are interested in the stocks that have positive and high return because this will increase their prosperity. Investors will firstly analyze the financial performance using financial ratios as the measurement, so that the financial performance related to a company's stock return can be known. Stock return is a factor that influences the investor's interest to make an investment in a company. A high return indicates a good performance that makes investors believe it will give a positive effect to the fund they have invested in the capital market. One of the popular securities in the capital market is stock. Stock is a security that indicates someone's or an institution's ownership of a company (Syahyunan, 2013). A good stock can provide realized return not so far from the expected return. Basically the return value of every security differs from each other. Not all securities will give the same return to the investors. The return of a security is determined by many things such as the company's performance and its strategy in managing profit. A company is considered as having a financial failure if it is not able to pay its liabilities on maturity dates although the total assets are more than its total liabilities. The condition making investors and creditors worry is when the company faces a financial distress that leads to bankruptcy. If a company signals a financial failure, it can not give profitable return to the investors and finally its stock price will decline. The gain from investment in stock, called return, may be dividend and capital gain. Dividend is the income from the profit that is distributed whereas capital gain is gained from the difference of stock prices. If the price difference is negative, it means the investor experiences a capital loss and vice versa. Frequently, investors want an immediate profit, so they like a profit in the form of capital gain rather than dividend. In the capital market, uncertain return will force an investor to choose the investment alternatives carefully. Not every stock of a company having good profiles will provide good return to the investors, so a deeper analysis on it is needed. A company may face a fluctuative return at any time due to micro and macro factors.

A. Phenomenon Gap

Banking industry is chosen as the population of this research because there are many banking companies listed in the Indonesia Stock Exchange and it is predicted to have a big influence on the stock return. The following are the stock returns of private non-devisa banks that go public during the period of 2010-2014.



Source: www.sahamok.com

Figure 1. Stock Returns of Private Non-Devisa Banks Going Public in the Period of 2010-2014

The above chart can explain the stock return movement of six banks, namely Bank Dinar Indonesia, Tbk., Bank Panin Syariah, Tbk., Bank National Nobu, Tbk., Bank Pundi Indonesia, Tbk., Bank Tabungan Pensiunan Nasional, Tbk., and Bank Victoria International, Tbk. Based on the chart, the most fluctuative return movement is of Bank Nationalnobu, Tbk. It falled very sharply in 2013, as much as 90%. The stock return movement of the other five banks is fairly stable. Seeing this phenomenon, the researcher will carry out a research using some variables and dimensions which influence the companies' stock return. The reason is that the function of banking is closely related to the systemic risk element, that is if a bank in Indonesia faces a problem, without regarding the value of its asset, then it will disrupt the national economy.

B. Research Gap

The author take some previous researches published in Indonesian journals as references, which are in line with this research framework, i.e. to prove the influence of financial performance and financial distress on the stock return. The author intentionally uses the results of local researches considering that the researchers know better about the condition of Indonesian economy and local companies because most of them are lecturers. Fadliatur Rohmah (2013) states in her research that simultaneously the variables of Debt to Equity Ratio (DER), Debt to Asset Ratio (DAR) or leverage, Return on Investment (ROI), and Growth significantly influence stock return. Meanwhile, in partial Debt to Equity Ratio variable does not significantly influence stock return, Debt to Asset Ratio does not significantly influence stock return, Return on Investment has significant influence on stock return. Fitri Astuti (2013) states in her research that NPM (Net Profit Margin), ROA (Return on Asset) and ROE (Return on Equity) simultaneously and individually have significant influences on stock return. Ike Rini Sumarningsih (2014) states in her research that the variables of CAR, NPL, NPM, ROA, BOPO, LDR simultaneously influence the stock prices of the go-public banks. The results of her research also indicate that among the six variables, those having significant influence are ROA, BOPO, LDR because their significance values are less than 0.05. Whereas CAR, NPL, and NPM do not significantly influence the banks' stock price because their significant values are more than 0.05. Made Dimas Sanjaya (2014) states in his research that Return on Asset positively and significantly influences the banking industry's stock prices, whereas Capital Adequacy Ratio, Non Performing Loan, and Loan to Deposit Ratio negatively and insignificantly influence the banking industry's stock prices. Simultaneously there are influences of CAR, NPL, ROA and LDR on the stock prices of the go public banks in the Indonesia Stock Exchange. Made Dwi Wahyuni (2014) states in her research that in partial there is no significant influence of Return on Asset (ROA) on stock return, in partial there is no significant influence of Earning Per Share (EPS) on stock return, in partial there is a significant influence of Residual Income (RI) on stock return, simultaneously in partial there is a significant influence of Return on Asset (ROA), Earning Per Share (EPS), Residual Income (RI) on stock return.

Devy Putri Anggawati (2013) in her research states that significantly the ratios of CAMEL (CAR, NPA, BOPO, ROE, LDR) do not influence stock return of the go public banks in Indonesia Stock Exchange (IDX) in the period of 2008-2012. In partial CAR, NPA, BOPO, ROE, and LDR do not positively influence stock return of the banking companies in Indonesia Stock Exchange (IDX) in the period of 2008-2012.

II. LITERATURE REVIEW

A. Financial Distress and Financial Performance

Many researchers define financial distress as the condition of a company that is not able to pay its liabilities, because it faces financial deficiency and fund inadequacy where the total liabilities are more than the total assets, as well as it can not reach its economic objective, i.e. gaining profit (Almilia and Herdiningtyas, 2005); inability of a company to pay its financial obligations that have been on maturity date (Beaver et al, 2011); financial difficulty of a company that happens before it goes bankrupt (Bringham and Daves, 2008: 236). Prediction of financial distress has been frequently made using the indicators of financial ratios. Financial distress may be defined in several categories as follows:

1) Economic Failure; the company's income can not cover its own expenses. In the other word, its profitability is less than its cost of capital.

2) Bussines Failure; it is defined as a business that stop its operation with the consequence of loss for the creditors, and then is said to fail although it is not in a normal way of bankruptcy.

3) Technical insolvency; a company can be considered as facing financial distress if it is not able to fulfill its obligations on maturity date. Technical insolvency indicates a temporary inadequate liquidity where some time in the future the company can collect money to fulfill its obligations and keeps operating.

4) Insolvency in bankruptcy; a company can be said to face a financial distress if the book value of its total liabilities exceed the market value of its assets.

5) Legal Bankruptcy; a company can not be considered as legally bankrupt unless a lawsuit is officially indicted.

The causes of a company's unhealthy condition, which end in its failure, can be economic failures that mean:

a) Imbalance between income and expenses

b) The company's cost of capital is more than the profitability of investment historical cost

c) The company's real profit can not cover its costs

And business failures, i.e.

a) If the company can not pay its liabilities on maturity date and if it is stated bankrupt

b) If the total liabilties are more than the fair value of its total

assets

c) If the company's capital is negative

Some indicators or sources of information on the possibilities of financial distress (Bringham and Daves, 2008:236) are as follows:

1. Analysis on the present and future cashflows. The benefit of using this source of information is that it directly focuses on the presumption of financial distress during the observation period. The estimated cashflow in this analysis is a critical variable for the underlying assumption of budget preparation.
2. Analysis on the corporate strategy. This analysis considers potential competitors (other companies or institutions), relative cost structure, industrial building expansion, company's ability to continue increasing cost, the quality of management, and so on. Theoretically, these considerations will also underlie the cashflow analysis.

The benefits of information on a company that faces financial distress. It can accelerate the action of management to prevent such a problem before going to bankruptcy. The management may take an action of merger or takeover so that the company is able to pay its debts and manage the company better. It also gives early reminding signals of bankruptcy in the future.

The benefit of financial distress prediction. Creditor. The research concerning financial distress prediction has relevances with the creditor in deciding a loan giving and policy to oversee the given loan. Investor. The model of financial distress prediction can help investors assesss the possibility of problem a company faces in repaying the principal and its interest. Legislature. The regulatory institution has responsibilities to oversee the companies' ability to pay their debts and to stabilize individual companies. This makes an applicative model necessary to know a company's ability to pay its debts and assess the its stability. Government. Financial distress is also important for the government and antitrust regulation. Auditor. The model of financial distress prediction can become a beneficial tool for auditors to make a going-concern assessment on a company. Management. If the company goes bankrupt, then the company will bear the direct cost (fee for accountant and lawyer) and indirect cost (loss of sale or forced loss due to a court decision). Thus, with the existence of financial distress prediction model a company is expected to avoid bankruptcy and automatically avoid direct and indirect costs of bankruptcy.

Realizing the importance of health condition of a bank for building trust as well as to implement the principle of prudence (prudential banking), Bank Indonesia needs to implement a regulation of bank health. With such a bank health, all banks are expected to be in healthy condition, so there will be no loss for the people concerned with bank. The regulation of bank health implemented by Bank Indonesia comprises various aspects of banking activities, from collecting fund to using and distributing fund. In accordance with Bank Indonesia regulation Number 6/10/PBI/2004 concerning the assessment system of public bank's health, banks are obligatory to assess their health quarterly for the position of March, June, September, and December. Triandaru (2006:53), Bank Indonesia Regulation Number 6/10/PBI/2004 concerning the assessment system of public bank's health includes the assessment on CAMEL factors consisting of:

a) Capital

Quantitative and qualitative assessments on capital are carried out through assessments on the following components:

(1) Adequate fulfillment of minimum capital requirement or kecukupan pemenuhan kewajiban penyedian modal minimum (KPMM) against the prevailing regulation

(2) Capital structure

(3) Future trend/projection of KPMM

(4) Classified earning assets compared to the bank's capital.

(5) Bank's ability to maintain the need for additional capital taken from the profit (retained earnings).

(6) Bank capital plan to support business growth.

(7) Access to capital sources.

(8) Stockholder's financial performance to increase the bank's capital.

b) Asset Quality

Quantitative and qualitative assessments on asset quality are carried out through the assessments on the following components (Judisseno, 2002:135):

(1) Classified earning assets compared to total earning assets.

(2) Core credit debtor outside the related party compared to total credit.

(3) The progress of nonperforming earning assets compared to earning assets.

(4) The adequacy of the formation of allowance for earning assets or Tingkat kecukupan pembentukan penyisihan penghapusan aktiva produktif (PPAP).

(5) Adequate policy and procedures for earning assets.

(6) Internal review system on earning assets.

(7) Documentation of earning assets.

(8) Performance in handling nonperforming earning assets.

c) Management

Assessments on management factors are carried out through the assessments on the following components (Faud, 2005:288):

(1) General Management.

(2) Implementation of risk management system.

(3) Bank's compliance with the prevailing regulation and its commitment to Bank Indonesia and/or other parties.

d) Rentability (Earnings)

Quantitative and qualitative assessments on profitability are carried out through the assessments on the following components:

(1) Return on assets (ROA).

(2) Return on equity (ROE).

(3) Net interest margin (NIM).

(4) Operating Expense to Operating Income (BOPO).

(5) Progress of operating profit.

(6) Portfolio composition of earning assets and income diversification.

(7) Implementation of accounting principles in revenue recognition.

(8) Cost of operating profit prospect.

e) Liquidity

Quantitative and qualitative assessments on liqudity are carried out through the assessments on the following components (Dendawijaya, 2009 : 116):

(1) Liquid assets less than 1 month compared to liquid liabilities less than 1 year.

(2) 1 month maturity mismacth ratio.

(3) Loan to deposit ratio (LDR).

(4) Projected cash flow for the next three months.

(5) Dependence on interbank fund and main depositors.

(6) Policy and liquidity management (assets and liabilities management/ALMA).

(7) Bank's ability to access money market, capital market, or

other financing sources.
(8) Third party's fund stability.

Table 2.2 Ranking System of CAMEL in Indonesia

No.	Factor to be assessed	Component	Weight (%)
1	Capital	Weighted capital to asset ratio based on the risk	25
2	Quality of Earning assets	a. Classified earning assets to earning assets ratio.	25
		b. Ratio of allowance for created uncollectible earning assets to allowance for uncollectible earning assets that must be created.	5
3	Management	a. General Management	10
		b. Risk Management	5
4	Rentability	a. Profit to average business volume ratio	5
		b. Operating expense to operating income ratio.	5
5	Liquidity	a. Net liabilities of call money to current assets (in rupiah) ratio.	5
		b. Credit to received funds (in rupiah and foreign exchange) ratio.	5

Source: Bank Indonesia (2002)

Health assessment is implemented in four predicate categories of bank's health as follows: Score of credit 81% - 100% is predicated as healthy, score of credit 66% - 81% is predicated as fairly healthy, score of credit 51% - 66% is predicated as less healthy, and score of credit 0% - 51% is predicated as unhealthy.

b) Stock Return

Return is the profit a company, an individual or an institution obtains as a result of the investment policy it has made (Fahmi and Hadi, 2009). Return can be in the form of realized return which has occured or expected return which is counted using historical data (Hartono, 2009). Realized return is important because it is used as one of the company's performance measurements as well as a base for determining the expected return and the risk in the future. Some mostly-used measurements of realized return are total return, relative return, cumulative return and ajusted return. Expected return is the return expected to be obtained by investors in the future. Expected return can be measured in several ways: based on the expected future value, historical return values, and the available expected return model.

Stock is a certificate indicating an ownership of a company, and the stockholder has a right to claim the company's income and assets (Rusdin, 2008:68), a security that is claim on the earning and assets of a corporation (Mishkin and Eakins, 2009:28). Therefore, stock can also mean a proof of capital enclosing. As a reward for the capital enclosed to a company, investors have rights over the dividend or others proportionate to the paid-in capital to the company. Based on its function, the value of a stock can be classified into three: par value, based price, and market price. Par value or stated value or face value, or nominal value (Indonesian language), is the value stated on the share of stock for the purpose of accounting. Based price. Base price of a stock is closely related to the market price used in the calculation of stock price index. Base price of a new stock is its initial price. This base price can change in line with the action taken by the emiten. Market Price. Market price is the easiest price to be determined because it is the price in the market which is going on. If the stock exchange market has been closed, then the market price becomes closing price. So, it is the market price which states the increase or decrease of a stock.

Stock return is the return of stock and its gain from the broker or the company to the investor who has invested in that company due to something. Gitman (2012:228) defines stock return as follows: Return is the total gain or loss experience on an investment over a given period of time. It is commonly measured as the change in value plus any cash distributing during period of time, expressed as a percentage of the beginning period investment value. If the company gets a profit, the stockholders have rights over the part of profit that is distributed or according to the dividend and ownership proportion. Zubir (2011:4) says stock return consists of capital gain and dividend yield. Capital gain is the difference between selling price and buying price per share of stock divided by the buying price. Dividend yield is the dividend per share divided by the buying price per share of stock. If the current price of stock is higher than its previous period's price, then there is a capital gain. Whereas if the current price of stock is lower than its previous period's price, then there is a capital loss. Types of stock return. According to Jogiyanto (2009:199), stock return can be divided into two types: Realized Return and Expected Return. Realized Return is the return that has occured and is calculated using historical data as the measurement of company's performance to be the base for determining the expected return and the risk in the future. Expected Return is the return used for making decision in investment. Expected Return can be calculated in various ways based on the the future expected value or based on the values of historical returns.

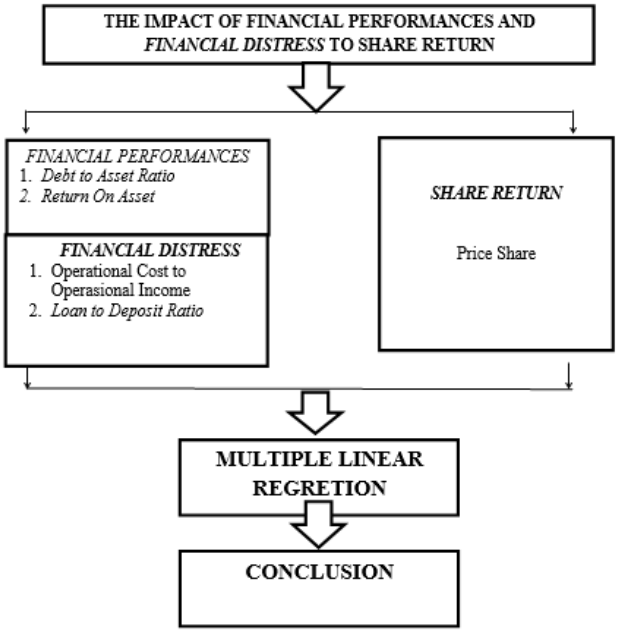


Figure 1. RESEARCH FRAMEWORK

III. RESEARCH METHODOLOGY

Definition of Operational Variable

Operational variable used in this research consists of two independent variables and one dependent variable which are explained further as follows:

Independent Variable (X)

Independent Variable is the variable that influences something which becomes the cause of its change or dependent variable's occurence (Sugiyono, 2012:59). In this research, the used independent variables are as follows:

Debt to Asset Ratio (DAR) X1; it is one ratio used to measure the solvability of a company. Company's solvability is its ability to pay its long term liabilities. A company is considered as solvable if it has adequate assets and wealth to pay its debts. This ratio indicates the total debts compared to the total assets owned by the company.

Return on Asset (ROA) X2; it is one of the profitability ratios that can be obtained by dividing net profit with the total assets owned by the company. Positive ROA indicates that the total assets used to operate the company can result in profit for the company. Whereas negative ROA indicates that the total assets are used to operate the company, but the company gets a loss.

Operating Expense to Operating Income (BOPO) ratio X3; Operating Expense to Operating Income (BOPO) ratio is a barometer in measuring the ability of operating income to cover its operating cost and the efficiency.

Loan to Deposit Ratio (LDR) X4; the assessment on liquidity ratio is based on Loan to Deposit Rasio (LDR), where LDR is obtained by comparing the credit given to third parties (excluding the credit to other banks) with the third parties' fund comprising clearing account, savings and deposit (excluding interbank's fund).

A. Dependent Variable (Y)

The dependent variable used in this research is stock return. The stock return used here is actual return, that is capital gain/capital loss, i.e. the difference between the current period's stock price and the previous period's stock price.

B. Population and Sample

From 30 non-devisa banks listed in Indonesia Stock Exchange, the author takes the sample using the following criteria:

1) Private non-devisa banks go public and are listed in Indonesia Stock Exchange in the period of 2010-2014.
2) The companies issue their annual report consecutively.
3) The companies are not delisted during the research period.
4) The companies have data of financial report and related information needed for this research.

Table of the Sample Fulfilling the Criteria

Sources: Processed by the researcher, 2016

C. Method of Data Analysis

The author uses multilinear regression analysis because there are 2 (two) independent variables and one dependent variable.

IV. RESEARCH RESULTS

A. Results of Classical Assumption Test

Classical Assumption Test is done to see whether the regression model for forecasting fulfills the assumptions in multiple regression. The testing steps carried out are normality test, multicollinearity test, autocorrelation test, and heterokedastisitas test among independent variables in the regression model. The results of those tests are explained completely below.

B. Data Normality Test

No.	Bank's Name	Code of Stock
1	Bank Dinar Indonesia, Tbk	DNAR
2	Bank Panin Syariah, Tbk	PNBS
3	Bank National Nobu, Tbk	NOBU
4	Bank Pundi Indonesia, Tbk	BEKS
5	Bank Tabungan Pensiunan Nasional, Tbk	BTPN
6	Bank Victoria International, Tbk	BVIC

Normality test is aimed to test whether the variable in the research model is normally distributed. Data normality test in this research uses One-Sample Kolmogrov-Smirnov test which is included in SPSS 20.0 for Windows. A variable is said to be normally distributed if the test result indicates the significance value more than 5%. If the data is not normally distributed, then the data can be normalized through a data transformation. Data normality test is carried out using stepwise model to know how far the normality of each variable is. The results are as in the following table:

Table of the Results of Data Normality Test 2010-2014

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		6
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	.09226550
Most Extreme Differences	Absolute	.267
	Positive	.166
	Negative	-.267
Kolmogorov-Smirnov Z		.654
Asymp. Sig. (2-tailed)		.785

Source: Data processed from SPSS 20

Based on that table, it is known that the significance value is 0.785, more than 0.05, so it can be concluded that the data tested is normally distributed.

C. Multicollinearity Test

This test is aimed to know whether there is a correlation among independent variables in the regression model. The results of multicollinearity test are shown in the following table:

Table of the Results of Multicollinearity Test in 2010-2014

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
DAR	.059	16.948
ROA	.409	2.447
BOPO	.057	17.593
LDR	.654	1.529

Source: Data processed from SPSS 20

Based on the above table, it can be seen that some tolerance values of each independent variable are less than 0.10 and some others are more than 0.10. The VIF values of DAR and BOPO are more than 10.00, whereas the VIF values of ROA and LDR are less than 10.00, meaning that multicollinearity symptom happens to the tested data.

D. Autocorrelation Test

Autocorrelation test is used to know whether there is a distortion of the classical assumption on autocorrelation, that is the correlation which occurs between the residual in one observation and the residual in the other observation in the regression model.

Table of the Result of Autocorrelation 2010-2014
Model Summaryb

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.692[a]	.479	-1.607	.19025	1.132

Source: Data processed from SPSS 20

Based on the above table, it is seen that the Durbin-Watson score is 1.132, in accordance with the prevailing rule Durbin-Watson DW < 1.21, then it can be concluded that the autocorrelation occurs.

E. Heterokedastisitas Test

Table of the result of Heteroskedastitas Test 2010-2014

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.298	.696		.428	.742
DAR	.203	.465	.147	.050	.968
ROA	-.079	.176	-.504	-.447	.733
BOPO	-.008	.061	-.411	-.136	.914
LDR	-.371	.641	-.441	-.494	.708

Source: Results from data process from SPSS 20

Based on the above output, it is known that the significance value of DAR variable (X1) is 0.968 more than 0.05, meaning that heteroskedastitas does not occur in the variable of debt to asset ratio. The significance value of ROA variable (X2) is 0.733 more than 0.05, meaning that heteroskedastitas does not occur in the variable of Return on Asset. The significance value of BOPO (X3) variable is 0.914 more than 0.05, meaning that heteroskedastitas does not occur in the variable of operating expense to operating income. The significance value of LDR variable (X1) is 0.708 more than 0.05, meaning that heteroskedastitas does not occur in the variable of Loan to Deposit Ratio.

F. Results of Linear Regression

The results of calculation using multilinear regression model which fulfill the classical assumption test among independent variables (DAR, ROA, BOPO and LDR) against dependent variable (stock return) can be seen in the following table:
Table of the Results of Multilinear Regression 2010-2014

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant	.298	.696	
	DAR	.203	.465	.147
	ROA	-.079	.176	-.504
	BOPO	-.008	.061	-.411
	LDR	-.371	.641	-.441

V. STRUCTURAL EQUATION:

Stock Return = 0.298 + 0.203DAR – 0.079ROA – 0.008BOPO – 0.371LDR.

The equation shows that there are three independent variables which negatively influence stock return, namely ROA, BOPO and LDR with the coefficient: -0.079ROA; -0.008BOPO; -0.371LDR and one dependent variable that positively influences stock return, namely DAR with coefficient 0.203DAR. α = 0.298 is the constant which means if the change of debt to asset ratio, return on asset, operating expense to operating income and loan to deposit ratio equals 0, then the value of stock return decreases 0.298. The regression coefficient of debt to asset ratio variable has a positive value 0.203. It means that if DAR increases one unit then stock return will be able to increase 0.203 or 20.3%. The regression coefficient of return on asset variable has a negative value -0.079. It means that if ROA increases one unit then stock return will be able to decrease -0.079 or 7.9%. The regression coefficient of operating expense to operating income ratio has a negative value -0.008. It means that if BOPO increases one unit then stock return will be able to decrease -0.008 atau 0.8%. The regression coefficient of loan to deposit ratio variable has negative value -0.371. It means that if LDR increases one unit then stock return will be able to decrease -0.371 or 37.1%.

G. Results of Hypotheses

A. Results of Hypothesis 2010-2014

Partial test (t test)

Table 4.7

Results of Partial Test (t Test) 2010-2014

Model		t	Sig.
1	(Constant)	.428	.742
	DAR	.050	.968
	ROA	-.447	.733
	BOPO	-.136	.914
	LDR	-.494	.708

Source: Data processed from SPSS 20

Based on the above table tcalculation for DAR is 0.050, tcalculation for ROA is -0.447, tcalculation for BOPO is -0,136, tcalculation for LDR is -0.494, whereas t table at the degree of 5% is 2.776.

DAR variable gets the value of tcalculation 0.050 with the p-value 2.776. Because its value of tcalculation 0.050 < 2.776 with the significance value 0.968 > 0.05 it means DAR does not significantly influence stock return and it has positive value; positive t value means that DAR has a correlation which is in the same direction with stock return.

ROA variable gets the value of tcalculation -0.447 with the p-value 2.776. Because its value of tcalculation -0.447 < 2.776 with the significance value 0.733 > 0.05 it means ROA does not significantly influence stock return and it has positive value; negative t value means ROA has a correlation which is not in the same direction with stock return.

BOPO variable gets the value of tcalculation -0,136 with the p-value 2.776. Because its value of tcalculation -0.136 < 2.776 with the significance value 0.914 > 0.05 it means BOPO does not significantly influence stock return and it has positive value; negative t value means BOPO has a correlation which is not in the same direction with stock return.

LDR variable gets the value of tcalculation -0.494 with the p-value 2.776. Because its value of tcalculation -0.494 < 2.776 with the significance value 0.914 > 0.05 it means LDR does not significantly influence stock return and it has positive value; negative t value means LDR has a correlation which is not in the same direction with stock return.

B. Simultaneous Test (F Test)

Table 4.7.1

Results of Simultaneous Test (F Test) 2010-2014

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.033	4	.008	.229	.895[b]
	Residual	.036	1	.036		
	Total	.069	5			

Source: Data processed from SPSS 20

Based on the above output, it can be seen that the significance value 0.895 which is more than 0.05 and the value of Fcalculation less than of F table (0.229 < 9.552). Thus, it can be said that DAR, ROA, BOPO and LDR simultaneously do not significantly influence stock return; H0 is accepted and Ha is rejected.

c) Coefficient of Determination (R2)

Coefficient of determination functions to see how far all the independent variables can explain the dependent variable. If R^2 equals 0, then the variation of independent variables used in the model does not explain the variation of dependent variable at all. If R^2 equals 1, then the variation of independent variables used in the model explains the variation of dependent variable 100% (Priyatno, 2010). The coefficient of determination value can be explained in the following table:

Table of the Coefficient of Determination 2010-2014

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin - Watson
1	.692[a]	.479	-1.607	.19025	1.132

Source: Data processed from SPSS 20

The above table shows the value of R^2 0.979, meaning that the ability of independent variables to explain the extent of variation in the dependent variable is 47.9% and the rest 100% - 47.9% = 52.1% is explained by the other variables that are not included in the equation.

d) The Most Dominant Variable Testing

This test is determined by seeing the value of *standardized coefficients* or beta in each independent variable studied as shown in the table below:

Table of the Most Dominant Variable Testing 2010-2014

Model		Standardized Coefficients
		Beta
1	(Constant)	
	DAR	.298
	ROA	.203
	BOPO	-.079
	LDR	-.008

Source: Data processed from SPSS 20

It is seen from the above table that the beta value of DAR variable is 0.298 or the highest among other independent variables. This value indicates that debt to asset ratio has the most dominant influence on the stock return of the private non-devisa banks which go public in the Indonesia Stock Exchange. The conclusion that can be made is that the operating expense to operating income variable proofs to be the variable having the most dominant influence on the stock return of non-devisa banks which go public in 2010.

CONCLUSION AND DISCUSSION

From the result of the five-year research (2010-2014), it can be explained that the coefficient of determination (R2) 0.479 indicates that the variables of DAR, ROA, BOPO and LDR have an ability to influence the stock return or have influence of 47.9% whereas the rest of 52.1% (100% - 47.9%) is explained by the other independent variables. Based on the calculation of F test, we can see that the significance value 0.895 is more than 0.05 (0.895 > 0.05) and the value of Fcalculation is less than F table (0.229 < 9.552). Thus, it can be said that DAR, ROA, BOPO and LDR simultaneously do not influence significantly on the stock return; H0 is accepted and Ha is rejected. From the influence of independent variables on the stock return in partial can be explained as follows:

1. The influence of Debt to Asset Ratio (DAR) on stock return. During five years (2010-2014) the research finds the value of tcalculation 0.050 compared with t table 2.776. From that data, it is seen that tcalculation is more than t table (0.050 < 2.776) with the significance 0.968, meaning that in partial DAR does not influence the stock return; H0 is accepted and Ha is rejected. The result of this research is in line with the research carried out by Fadliatur (2013) who finds that debt to asset ratio does not significantly influence stock return. However, this research is not in line with Tantri Eka Wardha (2013) who finds that DAR has a significant influence on the stock return.

2. Return On Asset (ROA). During five years (2010-2014), in 2010 tcalculation was -0.477 compared with t table 2.776. From that data, it is seen that tcalculation is more than t table (-0.447 < 2.776) with the significance 0.733 meaning that in partial ROA does not influence stock return; H0 is accepted and Ha is rejected. The result of this research is in line with the research carried out by Made Dwi Wahyuni (2014) who finds that ROA does not have significant influence on stock return. However this research is not in line with the researches carried out by Fitri Astuti (2013) and Made Dimas Sanjaya (2014) who find that ROA has significant influence on stock return. This is because when the ability of a company to make profit increases, then the stock price will increase too. Likewise, if the stock price increases, the stock return will increase too.

3. Operating Expense to Operating Income (BOPO). During five years (2010-2014) it is found that tcalculation -0.136. Compared with t table 2.776 from that data, it seems that tcalculation is more than t table (-0.136 < 2.776) with the significance 0.914 meaning that in partial BOPO does not significantly influence stock return; H0 is accepted and Ha is rejected. This research is in line with the research carried out by Devy Putri Anggawati (2013) who finds that BOPO in partial does not significantly influence stock return. However, this research is not in line with the research carried out by Ike Rini Sumarningsih who finds that BOPO in partial significantly influences stock price. This is because the higher the BOPO the less ability the banks have in supressing their operating expense that can lead to loss since the banks are less efficient in managing their business. The less this ratio the more efficient the operating expense incurred by the banks, and the less possibility of a bank to be in a problematic condition.

4. Loan to Deposit Ratio (LDR). From the results of t test for five years (2010-2014), in 2010 tcalculation is found -0.494. Compared with t table 2.776 from that data it seems that tcalculation is more than t table (-0.494 < 2.776) with the significance 0.708 meaning that in partial LDR does not significantly influence stock return; H0 is accepted and Ha is rejected. The result of this research is in line with Devy Putri Anggawati (2013) who finds that LDR does not positively influence stock return. However, this research is in line with the research carried out by Ike Rini Sumarningsih (2014) who finds that LDR significantly influences stock return. High ratio of LDR indicates that a bank lends all its funds. In the contrary, low ratio of LDR indicates that a bank is liquid and over capacity of fund ready to be lended.

Suggestions for the Next Researchers

Based on the conclusion and limitations in this research, some suggestions can be given as follows:

1. Because the result of this research finds that all independent variables do not influence the dependent variable, then the next researchers can use this research as a research gap.

2. The next researchers should test other indicators and dimensions with the same or different research objects.

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