

THE INFLUENCE OF FINANCIAL PERFORMANCE ON STOCK PRICES IN BANKING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE

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Abstract

Stock price fluctuations in banking companies listed on the Indonesia Stock Exchange (IDX) reflect the financial condition of the company and are a major concern for both companies and investors. One of the factors that influences stock prices is the company's financial performance. This study aims to examine the effect of ROA and EPS on stock prices, both partially and simultaneously. This study uses a quantitative approach with secondary data in the form of annual financial reports of the population of all banking companies listed on the IDX for the period 2020–2023. The research sample was selected using a purposive sampling technique, resulting in 13 companies with a total of 52 data. Data analysis used multiple linear regression after going through the classical assumption test to ensure the feasibility of the model. The results of the study showed that partially, Return on Assets (ROA) did not have a significant effect on stock prices. This is thought to be due to the instability of external factors and market expectations that are not fully focused on the efficiency of asset use. Conversely, Earnings Per Share (EPS) has a positive and significant effect on stock prices, indicating that investors tend to prioritize earnings per share as the main indicator in assessing a company's prospects. This finding confirms that in the context of banking companies in Indonesia, EPS is more important than ROA in making investment decisions.

Keywords: *Indonesia Stock Exchange (IDX), Earning Per Share (EPS), Stock Price, Financial Performance, Return on Assets (ROA)*

1. INTRODUCTION

The Indonesia Stock Exchange (IDX) is one of the important indicators that reflects the national economy in Indonesia. Along with the development of the capital market in Indonesia, stock prices are a major concern for both companies and investors. Changes in stock prices often reflect the financial condition of the company. The high and low stock prices are largely influenced by the condition of the issuer. One of the factors that affects stock prices is the company's ability to pay dividends, the amount of this dividend will affect its stock price. If the dividends paid are high, the stock price tends to be high, so the company's value is also high and vice versa if the dividends paid are small, the company's stock price is also low, so the company's value is low (Novita, 2022).

Stock price is the first thing investors look at when they want to buy stocks because investors must adjust to the funds they have (Siregar, 2021). Financial Services Authority

(OJK) Regulation No. 29/POJK.04/2016 stipulates that companies listed on the Indonesia Stock Exchange are required to report their financial performance through annual financial reports that have been audited by an independent auditor.

Banks are financial institutions that have an important role in managing the economic conditions of a country, namely as financial intermediary institutions. Banking is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and/or other forms in order to improve the standard of living of the people. Banking is one of the financial institutions that has a strategic role in aligning, harmonizing, and balancing various elements of development (Lokollo, 2023) .

This strategic role is mainly due to the main function of the bank as an institution that can collect and distribute public funds effectively and efficiently, which based on the principles of economic democracy supports the implementation of development in order to improve equity and its results, economic growth and national stability, towards improving the standard of living of the people. With effective guidance and supervision, the role of banking in achieving national development goals can function efficiently, healthily and fairly, and be able to properly protect the public funds entrusted to it. To be able to obtain a source of financial information on a company that is fundamental in nature, it can be done by analyzing financial reports by assessing the company's financial performance (M et al., 2021) .

Measuring a company's financial performance is an important aspect in understanding how a company operates efficiently and is able to increase the company's value in the eyes of investors (Purwanti et al., 2021) . To measure financial performance, a financial ratio analysis is carried out. Financial ratio analysis is an initial analysis used to assess a company's financial performance because a company's financial performance is a factor that clearly reflects the stock price of a company (Merlindayani, 2021) .

Stocks are one of the investments that are quite attractive but have high risks. Stocks are a sign of ownership of a person or business entity in a limited liability company or in a company. Stocks are in the form of a piece of paper stating that the owner of the paper is the owner of the company that issued the securities (Oktarina, 2023). In assessing the company's financial performance, ratio analysis can be used to determine the strengths and weaknesses of the company. Ratio analysis also provides indicators to measure the level of profitability in a company (Avner Santhi & Akhsan, 2023) . In this study, the ratios used were Return on Assets (ROA) and Earning per Share (EPS).

Return on Asset is one of the profitability ratios in financial statement analysis, this ratio is the most highlighted because this ratio shows the success of the company in generating profits. The higher this ratio the better, meaning the position of the company owner is stronger and vice versa this will affect the interest of investors to buy and sell the company so that it will increase the sales volume of the company's shares (Sihombing & Munthe, 2019) . Earning per Share (EPS) or Earnings Per Share (LPS) is a financial ratio that shows net profit per share. EPS is a ratio that describes the company's profitability which is reflected in each share (Christiaan, 2020) . EPS is calculated by dividing the company's net profit by the total number of shares outstanding. The higher the EPS value, the higher the company's ability to generate profits. EPS that is positive and increases continuously from year to year is considered good.

Several similar studies have also been conducted by several previous researchers, the results of research by Natasha Salamona Dewi and Agus Endro Suwarno (2022) show that the variables Return On Assets, Earning Per Share and Debt to Equity Ratio have a positive effect on stock prices. And the Loan Deposit Ratio (LDR) has a positive but insignificant effect on stock prices in state-owned banks listed on the Indonesia Stock Exchange. Meanwhile, the results of research by Leonora L. Tengkel and Victoria N. Untu (2023) show that Debt to Asset Ratio (DAR), Return On Asset (ROA), and Earning Per Share (EPS) do not have a significant effect on Stock Prices and the results of the F test show that the variables CR, DAR, ROA, and EPS together have a significant effect on Stock Prices in Hotel Companies on the IDX.

2. RESEARCH METHODS

Types and Sources of Research Data

This study uses quantitative methods. Quantitative methods are research methods that collect and analyze numerical data to answer research questions and test hypotheses. The main objective is to analyze the effect of financial performance on stock prices of banking companies listed on the Indonesia Stock Exchange. The data sources used are secondary data sources. Secondary data is research data obtained by researchers indirectly or through intermediary media. This data is already available, so researchers only need to search for and collect it

According to (Sihombing & Munthe, 2019) Population is an area or generalization consisting of objects or subjects that have certain quantities and characteristics determined by researchers to be studied and then conclusions drawn. The population in this study were all banking companies listed on the Indonesia Stock Exchange in the period 2020 to 2023. The sample is part or representative of the population being studied. Samples were taken using purposive sampling techniques. According to (Fradika, 2018) the purposive sampling method is a sampling method by considering several specific criteria, the criteria used in this study are as follows:

- a. The company has been listed on the IDX during the research period.
- b. Publish complete annual financial reports.
- c. The share price is not less than Rp1,000 after closing (closing price).
- d. Still actively operating during the research period

The data collection methods used are time series, documentation method and literature study method. The data analysis technique used in this study aims to test the effect of financial performance on stock prices in banking companies listed on the Indonesia Stock Exchange (IDX). The analysis process begins with a classical assumption test (normality, multicollinearity heteroscedasticity) then the data is analyzed using multiple linear regression after which the hypothesis is tested using the t test, to determine the effect of each variable partially, and the F test, to analyze the simultaneous effect of both variables on stock prices.

3. RESULTS AND DISCUSSION

RESULTS

3.1 Descriptive variables

- a. Return on Assets (ROA) is a financial indicator that measures the extent to which a company is able to generate net income from all of its assets. A higher ROA value indicates how efficiently a company manages its assets to generate profits. In the banking industry, ROA is very important because banks have many assets consisting of loans and investments. Here are the ROA values of each company:

Table 5.2 . ROA Ratio Value of Banking Companies in 2020-2023

No	CODE	ROA Value (%)			
		2020	2021	2022	2023
1	BBCA	2,524	2,560	3.1	3,456
2	BBMD	2,302	3,251	3,154	2,598
3	BNI	0.373	1,138	1,795	1,942
4	BBRI	1	1,833	2,756	3,075
5	BBTN	0.444	0.639	0.757	0.798
6	BDMN	0.542	0.868	1,734	1,653
7	BJBR	1,199	1,275	1	0.893
8	BMRI	1,234	1,770	2,256	2,762
9	BRIS	0.430	1,141	1,393	1,613
10	BSWD	-1,897	-1,035	0.175	0.797
11	(BTPN)	1,095	1,617	1,735	1,332
12	BTPS	5,200	7,900	8,409	5,041
13	MEGA	2,681	3,016	2,859	2,659

Source: Data Processed In Excel, 2024

The return on assets (ROA) values of each company vary greatly, as shown in the data in table 5.2. For example, the return on assets (ROA) of PT Bank Central Asia Tbk (BBCA) increased from 2.52% in 2020 to 3.45% in 2023. This indicates an increase in asset management performance, indicating strong performance and high investor confidence in this bank. On the other hand, PT Bank Mestika Dharma Tbk (BBMD) experienced a decrease in return on assets (ROA) from 3.15% in 2022 to 2.59% in 2023, indicating that the profit generated was not large enough compared to the total assets owned by the company.

Asset performance (ROA) is used to compare the performance of banks in the same industry. PT Bank BTPN Syariah Tbk (BTPS) has the highest ROA in 2022 at 8.41%, indicating very efficient asset management compared to other banks, indicating that BTPS has the ability to utilize its assets to generate greater profits even though its asset scale is smaller.

Investors usually look at ROA to assess the efficiency of a company's management. A company with a stable or increasing ROA, such as PT Bank Central Asia Tbk, usually attracts more investors because it shows the potential for consistent profit growth. However, a low or decreasing ROA, such as that of PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk (BJBR) in 2023, can be a signal that the company may face challenges in managing its assets efficiently.

- b. Earnings Per Share (EPS) is a measure of financial performance that shows the company's net income for each outstanding share. A high EPS indicates that the company can generate higher earnings per share, which is attractive to investors. Here are the EPS values for each company:

Table 5.3. Banking Company EPS Value 2020-2023

No	CODE	EPS Value (Rp)			
		2020	2021	2022	2023
1	BBCA	1,101,078	255,041	330,607	394,712
2	BBMD	79,688	127,034	127,895	101,987
3	BNI	178,293	589,404	991,052	566,507
4	BBRI	151,285	202,929	339,196	398,690
5	BBTN	151,309	224,384	287,542	249,386
6	BDMN	111,417	170,796	350,910	374,280
7	BJBR	171,769	205,173	213,401	159,786
8	BMRI	378,121	654,666	963,265	1,286,826
9	BRIS	25,055	73,626	92,353	123,647
10	BSWD	-0.254	-0.159	0.022	0.066
11	BTPN	246,128	380,927	445,394	329,175
12	BTPS	110,936	190,169	231,003	140,269
13	MEGA	431,994	575,557	581,966	504,133

Source: Data Processed In Excel, 2024

EPS varies between companies, as shown by the data in table 5.3. For example, the EPS of PT Bank Mandiri (Persero) Tbk (BMRI) continues to increase from IDR378,121 in 2020 to IDR1,286,826 in 2023. This indicates a significant increase in net profit and stability in the number of shares outstanding. In contrast, the profit per capita of PT Bank Tabungan Pensiunan Nasional Tbk (BTPN) decreased from IDR445.39 in 2022 to IDR329.17 in 2023. This could be due to a decrease in the company's net profit or share dilution due to the issuance of new shares.

Investors use EPS to calculate the Price-to-Earnings (P/E) ratio, which compares a company's stock price to its EPS. Companies with high EPS, such as PT Bank Mandiri (BMRI), are usually considered more attractive because they show the ability to generate stable profits. Conversely, low or negative EPS, such as that of PT Bank Syariah Wadiah Indonesia (BSWD) in 2020 and 2021, can tell investors about possible risks.

c. Stock price

Stock prices indicate the market value of a company and how investors view its performance and future prospects. Market mechanisms, where supply and demand are very important, determine stock prices. Stock prices are usually used by investors to determine whether a business has the potential to grow or the risks it faces in the future.

Macroeconomic conditions such as interest rates, inflation, and monetary policy affect stock prices in the banking industry

Table 5.4 Banking Company Stock Prices 2020-2023

No	Code	Company Stock Price (Rp)			
		2020	2021	2022	2023
1	BBCA	6,765	7,300	8,550	9,400
2	BBMD	1,500	2,000	2,120	2,000
3	BNI	6,300	6,750	4,613	5,375
4	BBRI	4,146	4,190	4,940	5,725
5	BBTN	1,770	1,668	1,350	1,245
6	BDMN	3,220	2,350	2,730	2,800
7	BJBR	1,546	1,346	1,345	1,150
8	PBMRI	6,425	3,513	4,963	6,050
9	BRIS	2,194	1,736	1,290	1,740
10	BSWD	1,750	1,750	1,375	1,245
11	BTPN	3,140	2,620	2,643	2,613
12	BTPS	3,840	3,580	2,790	1,690
13	MEGA	4,271	5,027	5,275	5,100

Source: Data Processed In Excel, 2024

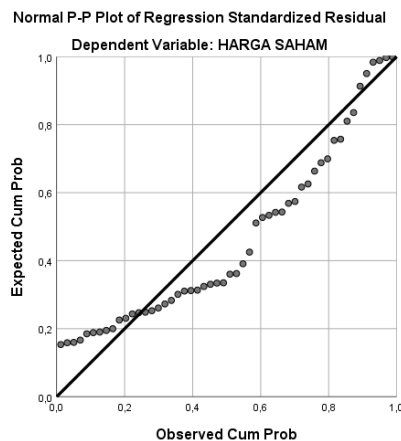
According to the data available in table 5.4, the stock prices of banking companies show different variations. For example, the stock price of PT Bank Central Asia Tbk (BBCA) has increased continuously from IDR6,765 in 2020 to IDR9,400 in 2023. With increasing net profit and operational efficiency, this increase indicates market confidence in the company's financial performance. On the contrary, some businesses show a downward trend; PT Bank Tabungan Negara (BBTN), whose stock price fell from IDR1,770 in 2020 to IDR1,245 in 2023, is one of them. This may indicate that the company is not attracting investors or has operational problems.

Investor confidence in a company's management and strategy is indicated by its stock price. For example, the stock price of PT Bank Mandiri (BMRI) has increased rapidly from IDR3,513 in 2021 to IDR6,050 in 2023. This shows that the market still believes in the bank's sustainable growth, even though the pandemic has faced economic challenges. However, businesses such as PT Bank Syariah Indonesia (BRIS), whose stock price has fallen from IDR2,194 in 2020 to IDR1,740 in 2023, may face difficulties in maintaining market confidence.

3.2 Classical Assumption test output

a. Normality Test

Figure 3.1
Normality Test with graph



Source: Results of SPSS v.26 data processing in 2024

The normal distribution for the residuals of the regression model can describe the points spread on the graph following the diagonal. This indicates that the regression in this study covers the normality assumption requirements of a regression.

1) Kolmogorov-Smirnov one sample test method

Table 3.1
Kolmogorov-Smirnov T test output

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
N			52
Normal Parameters ^{a,b}	Mean		,000
	Std. Deviation		1,695,062
Most Extreme Differences	Absolute		,179
	Positive		,179
	Negative		-,148
Test Statistics			,179
Asymp. Sig. (2-tailed)			,000 ^c
Monte Carlo Sig. (2-tailed)	Sig.		,065 ^d
	99% Confidence Interval	Lower Bound	,059
		Upper Bound	,071
a. Test distribution is Normal.			
b. Calculated from data.			
c. Lilliefors Significance Correction.			
d. Based on 10000 sampled tables with starting seed 2000000.			

Source: Results of SPSS v.26 data processing in 2024

Based on the results of SPSS analysis using the One-Sample Kolmogorov-Smirnov Test, the Monte Carlo Sig. (2-tailed) value is $0.065 > 0.05$, which indicates that the data is normally distributed.

b. Multicollinearity Test

This multicollinearity test aims to determine whether the regression model has a high correlation between independent variables. If there is a high correlation between these variables, the dependent variable will be disturbed. In measuring multicollinearity, the magnitude of the variance inflation factor (VIF) and the regression modal tolerance are tested with the provisions If the VIF value ≤ 10.0 or the tolerance value ≥ 0.10 then there is no multicollinearity. Which can be seen in the following table:

Table 3.2. Multicollinearity Test

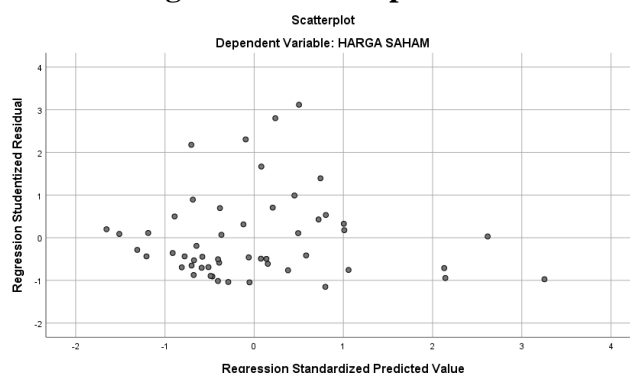
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
		B	Std. Error	Beta	Tolerance	VIF
1	(Constant)	1,818,220	426,310			
	ROA	205,437	138,180	,174	,970	1,030
	EPS	3,979	,872	,534	,970	1,030
a. Dependent Variable: Stock Price						

Source: Results of SPSS v.26 data processing in 2024

Interpretation of the results above shows that the level of tolerance in the ROA and EPS variables is around $0.970 > 0.10$, while the VIF value is around $1.030 < 10.0$. This indicates that the research variables are free from multicollinearity.

c. Heteroscedasticity Test

Figure 3.2. Scatterplot Test



Source: Results of SPSS v.26 data processing in 2024

Based on the results of SPSS data processing, the scatterplot graph shows a random distribution pattern and is spread above, below, or around the number 0. The points are not collected in one particular area, but are spread evenly without forming

a particular pattern. This shows that this model does not experience heteroscedasticity.

d. Multiple Linear Regression Test

Table 3. 3. Multiple Linear Regression Coefficients Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	1,818,220	426,310		4,265	,000
	ROA	205,437	138,180	,174	1,487	,143
	EPS	3,979	,872	,534	4,564	,000

a. Dependent Variable: Stock Price

Source: Results of SPSS v.26 data processing in 2024

Based on the results of SPSS data processing in table 5.7, a multiple linear regression equation can be prepared as follows:

$$Y = 1,818,320 + 205,437 (X1) + 3,979 (X2) + e$$

From the regression equation above it can be concluded that:

- 1) The results of this equation, then it can be obtained that the overall equation of independent and dependent variables has a positive effect because the value of a (constant) of 1,818.320 means the value of the Return On Asset (X1) and Earning Per Share (X2) variables, on the company's stock price is 1,818.320.
- 2) The regression coefficient of variable X1 (Return On Asset) is obtained at 205.437 indicating the company's ability to obtain profit has a positive effect. Based on the provisions if the Return On Asset value increases by 1% then the company's profit will increase by 205.437.
- 3) The coefficient of variable X2 (Earning Per Share) obtained is 3.979 indicating the company's ability to obtain through the investment process carried out has a positive value taken from the results of the regression coefficient that has been carried out, so if the Earning Per Share value increases by 1%, the company's stock price will also increase.

e. Hypothesis Testing

- 1) Partial Test (T)

Table 3.4. T-Test Results (Partial)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	1,818,220	426,310		4,265	,000
	ROA	205,437	138,180	,174	1,487	,143
	EPS	3,979	,872	,534	4,564	,000

a. Dependent Variable: Stock Price

Source: Results of SPSS v.26 data processing in 2024

The t-test is used to test the significance of the constant of the dependent variable. The t-distribution table is searched at the significance level $\alpha = 0.05: 2 = 0.025$, a 2-sided test with degrees of freedom (df) = $nk-1$ or $52 - 2 - 1 = 49$ so that the t table can be obtained, which is 2,010.

Based on the results of data management in table 5.8 above, the test results show that the calculated t for Return on Asset (ROA) and Earning Per Share (EPS) can be obtained, so the test results are as follows:

H0 : It is suspected that Return on Asset (ROA) does not have a positive and significant effect on stock prices in banking companies on the Indonesia Stock Exchange.

H1 : It is suspected that Return On Asset (ROA) has a positive and significant effect on stock prices in banking companies on the Indonesia Stock Exchange.

Based on the results of the t-test, the calculated t value for Return On Asset (ROA) is 1.487 while the t table is 2.010 ($1.487 < 2.010$). In addition, the significance value of 0.143 is greater than 0.05, so H0 is accepted and H1 is rejected. Thus, Return On Asset (ROA) partially has no significant effect on stock prices.

Data shows that some companies with large assets actually have low net income, so that the ROA value decreases. This condition indicates that the company's efficiency in utilizing assets to generate profits has not been a major factor considered by investors in investment decisions in the banking sector.

H0 : It is suspected that Earning Per Share (EPS) does not have a positive and significant effect on share prices in banking companies on the Indonesia Stock Exchange.

H2 : It is suspected that Earning Per Share (EPS) has a positive and significant effect on stock prices in banking companies on the Indonesia Stock Exchange.

Based on the results of the t-test, the calculated t value for Earning Per Share (EPS) is 4.564 while the t table is 2.010 ($4.564 > 2.042$), while if viewed from the significance of $0.000 < 0.05$, then H0 is rejected while H2 is accepted. These results indicate that Earning Per Share (EPS) partially has a positive and significant effect on stock prices.

This means that an increase in EPS reflects better financial performance, which gives a positive signal to investors about the company's profit and growth potential. This finding indicates that investors are more interested in buying shares of companies with higher EPS, which has an impact on increasing stock prices.

2) Simultaneous Test (F)

The F test or coefficient test is used together to find out whether the independent variables have a significant effect on the dependent variable. In this case, to find out whether the ROA and EPS variables have a significant effect on stock prices or not.

The criteria used in testing are if $F \text{ count} > F \text{ table}$ or $\text{sig} < 0.05$. If the model has met the criteria then the model can be used. Statistical table with significance 0.05 df 1 = 2 and df 2 = $51 - 2 - 1 = 49$, then the F table obtained is 13.072. The following are the results of the F test in this study as follows:

Table 3.5. F Test Results (Simultaneous)

ANOVA ^a					
Model	Sum of Squares	f	Mean Square	F	Sig.
Regression	78,185,125,635		39,092,562,817	13,072	,000 ^b
Residual	146,531,848,442	9	2,990,445,887		
Total	224,716,974,077	1			

a. Dependent Variable: STOCK PRICE

b. Predictors: (Constant), EPS, ROA

Source: Results of SPSS v.26 data processing in 2024

The results of data processing in table 5.9 show a result of 13.072 with a sig of 0.000. So F count $13.072 > F \text{ table } 3.18$ and $\text{sig } 0.000 < 0.05$. This means that the regression equation obtained is reliable or the model can be used. Thus, the ROA and EPS variables have a simultaneous and significant positive effect on stock prices in banking companies listed on the Indonesia Stock Exchange (IDX).

The findings from the F-test show that ROA and EPS simultaneously have a significant effect on stock prices. This indicates that investors prefer to evaluate overall financial performance rather than relying on just one particular indicator. Companies that are able to improve both aspects simultaneously will be more competitive in attracting investor interest.

DISCUSSION

The Influence of Return On Asset (ROA) (X1) on Stock Price (Y)

The calculation results using the IBM SPSS Statistics v.26 program in Table 3.3 show that the significance value of the Return on Assets (ROA) variable is 0.143, which is greater than 0.05. This value indicates that ROA does not have a significant effect on stock prices in banking companies listed on the Indonesia Stock Exchange (IDX). This phenomenon can occur because some companies have large assets but low net profits, resulting in a decrease in the ROA value. In other words, the efficiency of the company in utilizing its assets to generate profits has not been a major factor considered by investors in making investment decisions in the banking sector. This shows that even though the company has large assets, if the profits generated are relatively small, the investment attractiveness of the company remains low in the eyes of investors.

This finding supports previous research, namely research conducted by Cindy Halim Putri (2022), which stated that Return on Assets (ROA) does not have a significant effect on stock prices. In addition, this finding is in line with the research results of Aldi Rifaldi, Rangi Radiyanti, Sri Maria Ulfha (2024) which indicate that ROA and NPM do not have a significant effect. However, this result contradicts the research of Lola Novita (2022), which revealed that ROA has a positive and significant effect on stock prices. This difference in results indicates that other factors, such as industry context, asset management strategy, and market conditions, can affect the relationship between ROA and stock prices.

Effect of Earning Per Share (EPS) (X2) on Share Prices (Y)

The results of the analysis using the IBM SPSS Statistic v.26 program show that partially, Earning Per Share (EPS) has a positive and significant effect on stock prices. This is proven through the t-test which produces a value of 4.564, greater than the critical value of 2.010, and a significance level of 0.000 which is smaller than 0.05. Thus, high EPS reflects the company's ability to provide profit per share, thus becoming the main attraction for investors to invest.

This finding is in line with research conducted by Dian Indah Sari (2021) The EPS variable has a positive and significant effect on the stock price variable of banking companies in the 2016-2019 period. In addition, this finding is in line with the research results of Natasha Salamona Dewi (2022), which states that EPS has a positive effect on stock prices. However, this result contradicts the research of Leonora L. Tengke (2023), which found that EPS did not have a significant effect on stock prices. The difference in the results of this study shows that the effect of EPS on stock prices can depend on various factors, including market conditions, industry sectors, and company strategies.

High EPS is an important indicator that the company is able to provide an optimal level of prosperity for its shareholders. This confirms that the greater the EPS produced by the company, the higher its profitability and attractiveness to investors. Therefore, companies that are able to maintain and increase EPS have a greater chance of attracting investor interest and increasing the value of their shares in the capital market.

The Effect of Return on Assets (ROA) and Earning Per Share (EPS) on Share Prices

Based on the calculation results using the IBM SPSS Statistics v.26 program in table 3.5 simultaneously that have been carried out, it can be seen that ROA and EPS have a positive and significant influence on stock prices in banking companies listed on the Indonesia Stock Exchange (IDX). This is indicated by the F test where the value obtained is $13.072 > 3.18$ and $\text{sig } 0.000 < 0.05$. This indicates that good financial performance as a whole is the main factor in attracting investor interest and increasing the company's market value.

This finding is in line with research conducted by Rati Rukmana, Nirwana Sampara, Parman (2024) which states that simultaneously, EPS, ROA, and ROE affect stock prices. In addition, this finding is also in line with the research results of Dian Indah Sari (2021) which states that the ROA, ROE and EPS variables have a positive and significant influence on the stock price variables of banking companies in the 2016-2019 period. In addition, this finding is also supported by research by Aldi Rifaldi, Ranggi Radiyanti, Sri Maria Ulfha (2024) which indicates that simultaneously ROA, NPM, and EPS together have a positive and significant influence on stock prices.

Return On Asset (ROA) and Earning Per Share (EPS) have a positive and significant influence on stock prices. ROA reflects the efficiency of the company's asset usage, while EPS shows the company's ability to generate net income per share. This indicates that

although ROA is not significant individually, the overall combination of financial performance indicators remains relevant in determining the company's market value. These two variables provide a positive signal to investors, thus increasing their interest in investing.

4. CONCLUSION

The study was conducted on 13 banking companies listed on the Indonesian Stock Exchange. During the period 2020-2023, it discussed the effect of financial performance on stock prices. Based on the results of the discussion in the previous chapter, this study produced several conclusions.

- a. ROA does not significantly affect the stock price of banking companies listed on the Indonesian Stock Exchange. This shows that the company's efficiency in utilizing assets to generate profits has not been a major factor considered by investors in determining investment decisions in the banking sector.
- b. EPS has a significant influence on the stock price of banking companies listed on the Indonesian Stock Exchange. This reflects that the company's ability to provide earnings per share is an important factor that increases the attractiveness of investment for investors.
- c. ROA and EPS simultaneously have a significant effect on the stock price of banking companies listed on the Indonesian Stock Exchange. This result indicates that although ROA is not significant individually, the overall combination of financial performance indicators remains relevant in determining the market value of the company.

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