

ABSTRACT

This study aims to analyze the effect of profitability, firm growth, dividend policy, Loan to Deposit Ratio (LDR), and institutional ownership on firm value in conventional banks listed on the Indonesia Stock Exchange (IDX) during the 2020–2024 period. Firm value is proxied by Price to Book Value (PBV).

This research uses a quantitative approach with secondary data obtained from companies' annual financial reports and Bloomberg. The sample was selected using a purposive sampling method, resulting in 14 conventional banks with a total of 64 observations over five years. Data analysis was performed using multiple linear regression with the assistance of SPSS software.

The results show that profitability and dividend policy have a positive and significant effect on firm value. Meanwhile, firm growth does not have a significant effect on firm value. Conversely, the Loan to Deposit Ratio (LDR) and institutional ownership show a negative and significant effect on firm value. These findings indicate that investors appreciate banks with strong earnings performance and consistency in dividend distribution. Conversely, a high LDR level and excessive dominance of institutional ownership tend to be perceived as increased risk, potentially decreasing firm value. This study provides implications for bank management to optimize financial performance and maintain risk balance, and for investors to be more discerning in assessing company prospects.

Keywords: Firm Value, Profitability, Firm Growth, Dividend Policy, Loan to Deposit Ratio, Institutional Ownership.