

ABSTRACT

Stock returns play an important role in the banking industry because investors' views of the company's performance will be seen from the stock returns. The company chose the goal of getting high profits, this can be obtained if the shareholders are increasingly interested in investing their shares in the company. The interest is reflected in the form of stock price returns. Research that discusses the application of banking risk management is very lacking so this study was conducted to find out the successful implementation of risk management which is proxied from various bank health ratios in the banking industry and its effect on stock price returns. The purpose of this study is to analyze the effect of the application of risk management that is proxied from various bank health ratios on stock price returns for both SOE and non-SOE banks and comparison of risk management in SOE and non-SOE banks listed on the Indonesia Stock Exchange listed on the Indonesia Stock Exchange in the period years 2011-2017.

The population selected in this study is banking companies listed on the Indonesia Stock Exchange in the period 2011-2017. The number of samples used was 30 banking companies. The sampling technique in this research is purposive sampling method. Data collection method is by documentation. Data analysis methods used are multiple linear regression and different tests.

Based on research, BOPO has a negative effect on stock returns, Good corporate governance has a positive effect on stock returns but CAR, NIM, LDR and NPL have no effect on stock returns. The ratio of BOPO and GCG from Non-BUMN banks is greater than the ratio of BOPO and GCG of BUMN banks. From the stock return ratio, CAR, NIM, LDR and NPL there is no difference between BUMN Banks and Non BUMN Banks because the significance value > 0.05.

Keywords: CAR, NIM, LDR, NPL, BOPO, GCG, stock returns.