THE PRICE TO BOOK VALUE STILL INFLUENCED BY THE MAIN FACTORS ON SDG’S?

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Ikaputera Waspada⁴

ABSTRACT

Objectives: This study aimed to obtain empirical evidence and analyze the influence of Return on Assets (ROA), Loan to Deposit Ratio (LDR), and Debt to Equity Ratio (DER) on Price to Book Value (PBV) in state-owned banks listed on the Indonesia Stock Exchange from 2011 to 2021.

Theoretical Framework: The research is grounded in financial performance and valuation theories, emphasizing how internal financial ratios impact the market valuation of firms, particularly in the banking sector.

Method: This research design is quantitative. The data used in this research comes from financial reports registered on the IDX. The data that has been collected is then analyzed descriptively.

Results and Discussion: The analysis revealed that ROA significantly affects PBV, indicating that higher profitability leads to higher market valuation. Conversely, LDR and DER do not significantly impact PBV, suggesting that liquidity and capital structure are not primary determinants of market valuation in the context of these banks. The simultaneous effect of ROA, LDR, and DER on PBV was also observed.

Research Implications: These findings suggest that investors and financial analysts should focus more on profitability metrics such as ROA when evaluating the market value of state-owned banks. The insignificance of LDR and DER implies that other factors may play a more crucial role in influencing PBV in this sector.

Originality/Value: This study provides updated empirical evidence on the determinants of PBV in the context of Indonesian state-owned banks, contributing to the existing literature on bank valuation and offering practical insights for investors and policymakers.

Keywords: the price to book value, ROA, LDR, DER, PBV, sustainable development goals (SDGs).

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1 INTRODUCTION

The COVID-19 pandemic, which began at the end of 2019 in China, spread so quickly in a matter of months that it reached Indonesia in early 2020 and spread worldwide. This pandemic condition paralyzes the world in all its sectors. The paralysis caused a decline and chaos in various sectors, not only in the health sector but almost all sectors that experienced the impact of this pandemic, one of which was greatly affected by the occurrence of this pandemic, namely the economic sector in nearly all countries in the world. This economic downturn also occurs in Indonesia. One way to see a decline or deterioration in the economy is to look at the level of Indonesia’s GDP. In 2020, Indonesia’s GDP percentage level touched a minus number, more precisely -2.06. This figure is the lowest for ten years, showing how much impact the COVID-19 pandemic has on Indonesia’s economy. This is also supported by a statement by the Central Statistics Agency (BPS) which said on its official website that the Indonesian economy experienced a slowdown in growth by 2.07% in 2020. Compared to the previous year, namely 2019, the Indonesian economy recorded a decrease in growth of 2.19 percent in Q4 2020 compared to Q4 2019. At the end of 2020, the Indonesian economy proved to contract in the fourth quarter of 2020 compared to the third quarter of 2020, recording a slower growth rate of 0.42%.

The banking industry plays an important role in economic development as a financial intermediary or intermediation overfunded by those in need. Banks operating in Indonesia can be divided into two divisions based on their functions: commercial banks and People's Credit Banks (BPR). Commercial banks are subdivided into state-owned, private, and mixed banks. Indonesia's state-owned banks play an important role in the modern economic system, especially in the Indonesian economy. A bank is “a financial institution whose main activity is to raise funds from the public, lend the funds to the public, and provide other banking services.” (Kasmir). Law Number 10 of 1998 amends Article 4 of Law Number 7 of 1992 concerning bank interests; banks must promote equity, economic growth, and national stability to assist in implementing national development. The Bank is a financial institution that
plays an important role in the Indonesian financial system. This is reflected in the fact that in most societies, banking is related to the services of the banking sector in everyday life (Pinasti). A state-owned bank is a banking body whose entire or most of its capital is owned by the state through the direct participation of another country's wealth. State-owned banks are state-owned enterprises, but STATE-OWNED ENTERPRISES, like other banks, have the function of making a profit to achieve the goals of BUMN. Therefore, for BUMN to continue its business, it is necessary to provide support in the form of contributions from third parties and investors. To assess the health of an enterprise, investors can be evaluated or influenced by several factors or variables, including profitability, liquidity, and capital structure. Making a profit is one of the goals of business management. An unprofitable company will be difficult to attract investors, making it difficult to develop. The value of a company is defined as the price that an investor is willing to pay if the company is sold. All company owners want maximum corporate value because the company's high value reflects the shareholders' high happiness.

Liquidity measures the company's ability to pay bills on time when the payment date is set. Liquidity can be interpreted as the extent of a company's ability to repay its debts at maturity. Liquidity is generally understood as the ability of a company to fulfill its financial obligations in the short term or to immediately pay them (Lubis et al.). The capital structure is the percentage of debt, preferred shares, and common shares used to finance the enterprise's assets. The capital structure refers to the long-term expenses of the enterprise and is calculated by long-term debt compared to capital (Putri et al.).

In the banking industry, the financial indicators listed in the financial statements provide an overview of the performance of the Indonesian banking industry. There is a difference between the existing theory and the data from the data above. The difference is that in the above data, we see the usual in theory: the opposite effect during the marked years. If the existing PBV is inversely proportional to the ROA, LDR, and DER, there is even a decrease in PBV if it occurs with an increase in ROA. When the ROA, LDR, and DER variables decrease, PBV does not decrease but increases. This is found in the ROA, LDR, and DER against PBVs at each state-owned Bank in certain years over eleven
years in the 2011-2021 period.

Regarding the relationship between ROA, LDR, DER, and PBV, this study provides different empirical evidence, as well as differences in existing theories and the results of previous studies.

2 LITERATURE REVIEW

2.1 SIGNALING THEORY

Signaling theory assumes that the company's management has more accurate information about the company than the investor. This leads to information asymmetry among stakeholders. Information asymmetry occurs when personal information is owned only by information investors (Meivinia).

2.2 PRICE TO BOOK VALUE

The ratio used for measuring the company's value is Price to Book Value. Price to Book Value compares market price per share and Book Value (Meivinia). The following is a formula for calculating the value of a company:

\[
PBV = \frac{\text{Market Value}}{\text{Book Value}}
\]  

(1)

2.3 RETURN ON ASSET (ROA)

Return On Asset (ROA) illustrates the company's ability to make a profit from its assets. A company is said to be profitable when the ROA owned is getting bigger, and vice versa it is said to be unprofitable when the ROA owned is getting smaller. ROA can also be used to measure the management's ability to profit from the average total assets of its Bank. Profit before tax is a net resulting from operational activities before tax while total assets are the average assets of a company (Pranidia and Krisna).
Profitability can be calculated using return on assets (ROA). ROA is a ratio that allows you to compare the enterprise’s net profit and total assets. The ROA calculation formula is as follows.

\[
ROA = \frac{Net\ Income}{Total\ Assets}
\]

(2)

2.4 LOAN TO DEPOSIT RATIO (LDR)

According to (Bond Banker Indonesia, 2013) Bank, liquidity is the ability of a bank to meet its commitments, especially short-term obligations. The ratio used to measure liquidity is the loan-to-debt ratio (LDR). The loan-to-deposit ratio is a ratio that measures a bank's ability to meet its short-term obligations (sometimes called liquidity) by dividing the total loan by total third-party funds (DPK). The LDR formula is:

\[
LDR = \frac{Total\ Credit\ to\ Third\ Party}{Total\ Third\ Party\ Funds}
\]

(3)

2.5 DEBT TO EQUITY RATIO (DER)

Capital structure comprises short- and long-term debt, preferred shares, and common shares. The capital structure involves the emergence of an exchange between risk and return. The Debt to Equity Ratio (DER) can calculate the capital structure. DER is the ratio of debt to capital. DER has a function of measuring the amount of debt against capital (Pranidia and Krisna). The following is the formula for calculating DER:

\[
DER = \frac{Total\ Debt}{Total\ Equity}
\]

(4)
2.6 RESEARCH PARADIGM

Figure 1.
Research Paradigm

2.7 Research Hypothesis

1. The ROA affects PBV in state-owned banking companies on the Indonesia Stock Exchange;
2. The LDR affects PBV in state-owned banking companies on the Indonesia Stock Exchange;
   Simultaneously, ROA, LDR, and DER affect the company value in state-owned banking companies on the Indonesia Stock Exchange.

3 METHODOLOGY

3.1 RESEARCH DESIGN

The research method used in this study is quantitative research. Quantitative research examines a population or sample with research instruments to test the formulated hypothesis. It is carried out to obtain data or facts that can be used to provide certainty and accuracy in answering research questions (Kris, 2017:53).
3.2 OPERATIONAL VARIABLE

In this study, the variables used consisted of three independent variables and one dependent variable. According to Sugiyono (2014:39) Free variables are also often called stimulus variables, predictor variables, preconditions, or free variables. A free variable is a variable that affects or causes the change or appearance of a free variable. This study's independent variable (X) is ROA, LDR, and DER. According to Silaen (2013:73) Bound variables are called bound or bound variables. This is because the set of values of these variables is bound to or depends on the value of the free variable. Dependent variables are also called significant variables because, in random relationships, the occurrence of dependent variables results from independent variables. Furthermore, dependent variables are also called affected variables. The dependent variable (Y) in this study is PBV.

3.3 POPULATION AND SAMPLE TECHNIQUES

According to Gumanti et al (2018:74) population of interest to researchers. Members of this group usually generalize the results obtained from the study. Researchers should know that the new study population can choose the right sample measurement method. Sampling is the process of selecting multiple items or items for research purposes, using a specific method or technique so that the selected item can represent a larger group of those items. Sampling aims to obtain an overview or information about the population. Selected individuals to be sampled (Gumanti et al., 2018:176). The population of this study is four state-owned banks listed on the Indonesia stock exchange in 2011-2021. The sample used is four state-owned banks listed on the Indonesia stock exchange in 2011-2021. The population and samples used were the same because the sampling technique used in this study was saturated sampling.
3.4 DATA TYPES AND SOURCES

The type of data used in this study is secondary data that contains records or historical financial statements of bank companies listed on the Indonesia Stock Exchange. The data source used is obtained from the Indonesia Stock Exchange through the www.idx.co.id website and the company’s official website.

4 RESULTS AND DISCUSSIONS

4.1 RESULT

4.1.1 Descriptive Statistical Analysis

Table 1.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROA</td>
<td>44</td>
<td>,13</td>
<td>5,15</td>
<td>2,6934</td>
<td>1,21502</td>
</tr>
<tr>
<td>LDR</td>
<td>44</td>
<td>70,40</td>
<td>113,50</td>
<td>89,2377</td>
<td>10,01449</td>
</tr>
<tr>
<td>DER</td>
<td>44</td>
<td>4,75</td>
<td>16,07</td>
<td>7,5691</td>
<td>2,67489</td>
</tr>
<tr>
<td>PBV</td>
<td>44</td>
<td>,79</td>
<td>3,34</td>
<td>1,7516</td>
<td>,64611</td>
</tr>
</tbody>
</table>

Valid N (listwise) 44

Source: Researcher Data Processed (2024)

The descriptive statistical results in the table above show that ROA has minimum and maximum values of 0.13 and 5.15. The mean value at ROA is 2.6934 with a standard deviation of 1.21502. When compared, the mean value is greater than the standard deviation (2.6934>1.21502). This shows that the distribution of data is good enough that it does not cause bias. Based on the descriptive statistics in the table above show that LDR has minimum and maximum values of 70.40 and 113.50. The mean value in LDR is 89.2377 with a standard deviation value of 10.01449. The mean value is greater than the standard deviation (89.2377>10.01449). This shows that the distribution of data is good enough that it does not cause bias. Based on the descriptive statistical results in the table above shows DER has minimum and maximum values of 4.75 and 16.07. The mean value in the DER is 7.5691 with a standard deviation of
2.67489 when compared, the mean value is greater than the standard deviation (7.5691>2.67489). This shows that the distribution of data is good enough that it does not cause bias.

4.1.2 Classical Assumption Tests

4.1.2.1 Normality Test

**Table 2.**

<table>
<thead>
<tr>
<th>Normality Test</th>
<th>One-Sample Kolmogorov-Smirnov Test</th>
<th>Unstandardized Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>Normal Parameters&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>Mean</td>
<td>.00000000</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
<td>.36172086</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
<td>Absolute</td>
<td>.107</td>
</tr>
<tr>
<td></td>
<td>Positive</td>
<td>.107</td>
</tr>
<tr>
<td></td>
<td>Negative</td>
<td>-.058</td>
</tr>
<tr>
<td>Test Statistic</td>
<td>.107</td>
<td></td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>.200&lt;sup&gt;c,d&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Source: Researcher Data Processed (2024)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the normality test results using the Kolmogorov-Smirnov One-Sample method, the sig value on the normality test is 0.200 or greater than 0.05. Then it can be concluded that the data is normally distributed because the significant value >0.05.

4.1.2.2 Autocorrelation Test

**Table 3.**

<table>
<thead>
<tr>
<th>Autocorrelation Test</th>
<th>Runs Test</th>
<th>Unstandardized Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test Value&lt;sup&gt;a&lt;/sup&gt;</td>
<td>-.03169</td>
<td></td>
</tr>
<tr>
<td>Cases &lt; Test Value</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Cases &gt;= Test Value</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Total Cases</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>Number of Runs</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Z</td>
<td>-.763</td>
<td></td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>.446</td>
<td></td>
</tr>
<tr>
<td>Source: Researcher Data Processed (2024)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Based on the results of the autocorrelation test using the run test, the Asymp value. The sig (2-tailed) is 0.446, which means it is more than 0.05. Based on these results, it can be concluded that no autocorrelation occurred.

4.1.2.3 Heteroskedasticity Test

Table 4.

Heteroskedasticity Test

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.453</td>
<td>.382</td>
<td>1.184</td>
</tr>
<tr>
<td>ROA</td>
<td>-.006</td>
<td>.032</td>
<td>-.038</td>
<td>-.195</td>
</tr>
<tr>
<td>LDR</td>
<td>-8,007E-6</td>
<td>.004</td>
<td>.000</td>
<td>-.002</td>
</tr>
<tr>
<td>DER</td>
<td>-.018</td>
<td>.015</td>
<td>-.242</td>
<td>-1.238</td>
</tr>
</tbody>
</table>

Source: Researcher Data Processed (2024)

Based on the results of the output of the glejser test in the table above, it is shown that the significance value of the three free variables is above 0.05 this is by the provisions of the glejser test where if the significance value in the glejser test is above 0.05 then it can be stated in the data that heteroskedasticity does not occur. Thus, in this study, heteroscedasticity does not occur.

4.1.2.4 Multicollinearity Test

Table 5.

Multicollinearity Test

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1,731</td>
<td>.711</td>
</tr>
<tr>
<td>ROA</td>
<td>.389</td>
<td>.060</td>
<td>.731</td>
</tr>
<tr>
<td>LDR</td>
<td>-.012</td>
<td>.007</td>
<td>-.191</td>
</tr>
<tr>
<td>DER</td>
<td>.010</td>
<td>.027</td>
<td>.040</td>
</tr>
</tbody>
</table>

Source: Researcher Data Processed (2024)
The table above shows that the VIF of each independent variable is not above 10 and the Tolerance value is more than 0.100. Therefore, it can be concluded that there is no multicollinearity in the regression model.

4.1.3 Multiple Linear Regression Analysis

Table 6.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,731</td>
<td>.711</td>
<td>2,436</td>
<td>.019</td>
</tr>
<tr>
<td>ROA</td>
<td>.389</td>
<td>.060</td>
<td>.731</td>
<td>6,499</td>
</tr>
<tr>
<td>LDR</td>
<td>-.012</td>
<td>.007</td>
<td>-.191</td>
<td>-1,670</td>
</tr>
<tr>
<td>DER</td>
<td>.010</td>
<td>.027</td>
<td>.040</td>
<td>.360</td>
</tr>
</tbody>
</table>

Source: Researcher Data Processed (2024)

Based on the results of processing data using IBM SPSS Statistics, the results of the multiple linear regression equations are as follows:

\[ Y = 1,731 + 0.389 \text{ROA} - 0.012 \text{LDR} + 0.010 \text{DER} + e \quad (5) \]

From the multiple linear regression analysis equations above, the value of the constant (\( \alpha \)) obtained is 1,731, meaning that the company value as a dependent variable is 1.731, assuming that if there is no change in the independent variable, namely ROA, LDR, and DER which is worth zero.

The regression coefficient in the ROA variable (X1) has a positive value of 0.389. A positive coefficient value means that if there is an increase in ROA, there is also an increase in PBV and vice versa. So if there is an increase in profitability by 1, there will be an increase in the PBV of 0.389.

The regression coefficient in the LDR variable (X2) has a negative value of -0.012. A negative coefficient value means that if LDR increases, the PBV decreases, and vice versa. So, if LDR increases by 1, the PBV decreases by 0.012.

The regression coefficient in the DER variable (X3) has a positive value of 0.010. A positive coefficient value means that if there is an increase in the DER, there is also an increase in the PBV and vice versa. So if there is an increase in the amount of DER by 1, there will be an increase in the PBV of 0.010.
4.1.4 Partial Test (T-test)

Based on the table above, partial tests using IBM SPSS Statistics show the significant value and t count of each variable. In comparing the calculated t value and t table is carried out with a significant level of 5% and degree of freedom (df) = (α/2;n-k-1) = 44-3-1= 40, then (0.025:40) a t table value of 2.02108 is obtained. Here are the results from the partial test in this study:

4.1.4.1 The Effect of ROA on PBV

Based on the hypothesis test conducted to see the effect of ROA on PBV, the results were obtained: t calculate 6.499 with a significance value of 0.000. The results showed that t count (6.499) > t table (2.02108), as well as significant values of 0.000 or less than 0.05. From these results, a decision was obtained that H1 was accepted and H0 was rejected.

4.1.4.2 The Effect of LDR on PBV

Based on the hypothesis test conducted to see the effect of LDR on PBV, the results were obtained, t calculate -1.670 with a significance value of 0.103. The results showed that t count (-1.670) < t table (2.02108), as well as a significance value of 0.103 or greater than 0.05, then from these results, a decision was obtained that H2 was rejected and H0 was accepted.

4.1.4.3 The Effect of DER on PBV

Based on the hypothesis test conducted to see the effect of DER on PBV, the results were obtained with a t count of -0.360 and a significance value of 0.721. The results showed that t count (-0.360) < t table (2.02108), as well as a significance value of 0.721 or greater than 0.05, then from these results, a decision was obtained that H3 was rejected and H0 was accepted.
4.1.5 Simultaneous Test (Test f)

Table 7.
Simultaneous Test (Test f)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>12,325</td>
<td>3</td>
<td>4,108</td>
<td>29,208</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>5,626</td>
<td>40</td>
<td>.141</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>17,951</td>
<td>43</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher Data Processed (2024)

Based on hypothesis testing in simultaneous tests with test f regarding the effect of ROA, LDR, and DER on PBV, a calculated f value of 29.208 with a significance value of 0.000 was obtained. Thus the calculated f value (29.208) > f table (2.833) and the significance value of 0.000, which means that it is less than 0.05 (0.000 < 0.005), then the H4 decision is accepted, and H0 is rejected.

4.1.6 Coefficient of Determination

Table 8.
Coefficient of Determination

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.829a</td>
<td>.687</td>
<td>.663</td>
<td>.37504</td>
</tr>
</tbody>
</table>

Source: Researcher Data Processed (2024)

Based on the coefficient of determination test results in the table above, the correlation coefficient is 0.829, and the coefficient of determination is 0.687. This shows an influence of 69% between the variables ROA, LDR, and DER on PBV, while the remaining 21% is influenced by other variables that are not involved in this study.

4.2 DISCUSSIONS

4.2.1 Return on Asset (ROA) Partially Affects Price to Book Value (PBV)

Return On Asset (ROA) Partially Affects Price to Book Value (PBV) This shows how ROA and PBV have a harmonious relationship. This is to the theory
that the greater the level of ROA, the greater the PBV, and vice versa. Effective and efficient use of assets by the company allows the company to manage the increase in profits and increase the company's value appropriately. If a company makes a stable profit and grows from one period to the next, invest capital with the sympathy of investors. The growth of the company's profit reflects the bright future prospects of the company. Make investors believe in investing or investing in company stocks.

4.2.2 LDR Partially does not Significantly Affect PBV

The author's study results show that LDR partially does not significantly affect the company value. This means that the increase or decrease that occurs in liquidity does not result in a significant increase or decrease in company value. A high level of LDR indicates that the company is not liquid or engaged in banking. In other words, the Bank cannot meet its short-term obligations. B. When the customer suddenly withdraws the deposit. However, for banking companies, a high liquidity value means that most of the funds have not been used or the Bank has yet to be able to transfer the funds received from third parties to those who need credit. A measure of whether the value of the company can be invested. In this case, referring to the signaling theory used in this study, investors should look further at the company's financial statements because the company cannot provide significant signals through LDR (Fabian et al.).

4.2.3 DER Partially does not Significantly Affect PBV

The results of research conducted by the author show that the DER partially does not significantly affect the PBV. This means the increase or decrease in DER does not result in a significant increase or decrease in PBV. The small impact of the DER on the PBV is because other forms of the company have a good DER value, a value of 1, or the ratio of debt to equity is equal to 1, while the Bank in the company, its value is 1. A high DER or DER greater than 1 means that the customer's bank deposits are treated as obligations by the
Bank, and many customers entrust funds to the company's storage or processing to increase the value of the Bank’s obligations. This is why DER is so important for banking companies. This suggests that capital structure is not a measure that investors use to determine whether the value of a company is worth investing in. In this case, the signal theory used in this study as a reference, investors should look further at the company's financial statements as the company failed to give a significant signal through DER.

5 CONCLUSION

REFERENCES


