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The Effect of Financial Performance on Stock Prices of Companies Listed in the G11 Index (Indonesia Stock Exchange 2024-2025)

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Abstract
The purpose of this research is to analyze the effect of Return on Assets (ROA) and Return on Equity (ROE) on stock prices of G11 companies, both partially and simultaneously. This study used a quantitative, associative approach to examine the influence of ROA and ROE on stock prices. Secondary data were obtained from financial reports and stock prices of banking companies listed on the Indonesia Stock Exchange for the 2024–2025 period. The sample was determined using purposive sampling, resulting in 18 companies with 36 observations. Data analysis was performed using SPSS through descriptive statistical tests, classical assumption tests, and multiple linear regression. Hypothesis testing was performed using the t-test, F-test, and coefficient of determination (R^2). The results indicate that ROA has a small and inconsistent effect on stock prices, and is therefore not a primary consideration for investors. Conversely, ROE is shown to be more influential, reflecting investors' focus on a company's ability to generate returns on capital. Simultaneously, ROA and ROE influence stock prices, but other external factors, such as economic conditions and interest rates, also influence stock price movements.

INTRODUCTION

The capital market plays a strategic role in driving modern economic growth, particularly by mobilizing public funds for the productive sector. Bogle, (2017) and Cremers et al., (2020) , one of the most popular instruments is stocks, as they offer the potential for profit in the form of capital gains and dividends. Therefore, stock prices are an important indicator reflecting a company's value, as well as investor perceptions of its future performance and prospects (Avdalovic & Milenković, 2017; Handayani & Rahayu, 2019; Purnamasari, 2015).

Stock price movements are not inherently random but are influenced by various factors, both internal and external to the company. One dominant internal factor is the company's financial performance. Financial performance reflects a company's ability to manage its resources to generate profits (Abdillah, 2024; Alexandru, 2019). This information is generally presented in financial statements, which serve as the primary basis for investors in making investment decisions. The better a company's financial performance, the higher the level of investor confidence, which ultimately increases demand for shares and drives up share prices (Celestin, 2015; Lins et al., 2019).

The relationship between financial performance and stock prices can be explained through signalling theory, which states that companies send signals to the market through published financial information. Financial reports showing positive performance, such as

increased profits or dividend distributions, will be interpreted as good news by investors. Conversely, declining financial performance can be a negative signal (bad news), potentially reducing investor interest in the company's shares. Therefore, the quality of financial information is a crucial factor in shaping market perceptions (Landu et al., 2025; Linciano et al., 2018).

In practice, investors use two main approaches to investment analysis: fundamental analysis and technical analysis. Fundamental analysis focuses on evaluating a company's financial condition through various financial ratios, such as profitability, liquidity, and solvency, to determine the stock's intrinsic value. Meanwhile, technical analysis focuses more on past stock price movement patterns to predict future trends. While the two approaches complement each other, fundamental analysis remains the primary basis for objectively assessing a company's performance (Abuselidze & Slobodianyk, 2021; De Luca, 2018; Naknok, 2022).

Fundamental analysis makes things easier for investors because it's included in financial reports, which present financial performance information through financial ratios (Oktavia et al., 2021). Technical analysis, on the other hand, is a method used to evaluate past stock price movements through graphs or charts. Technical analysis focuses more on price movement patterns and stock transaction volume in the market (Nti et al., 2020; Shah et al., 2019). Through technical analysis, investors attempt to predict the direction of future stock price movements by examining past trends. Therefore, technical analysis is typically used to determine the best time to buy or sell stocks.

Return on Assets (ROA) and Return on Equity (ROE) are important profitability ratios for assessing a company's ability to generate profits. ROA indicates the effectiveness of asset utilization, while ROE measures the return on shareholders' capital. Profitability ratios are used to track company performance developments and identify the causes of profit changes (Ongky Wijaya et al., 2022), and reflect a company's ability to generate profits and its effectiveness (Tampubolon et al., 2024; Maradesa & Tuerah, 2024). High ROA and ROE values indicate good performance and serve as important benchmarks for investors in making investment decisions.

However, previous research has shown inconsistencies regarding the effect of profitability ratios on stock prices. Some studies found that ROA and ROE significantly influence stock prices, while others showed inconsistent results. These differences may be due to variations in research subjects, observation periods, and market conditions. Therefore, further research is needed to obtain stronger empirical evidence.

This research focuses on companies included in the G11 index listed on the Indonesia Stock Exchange. The selection of these research subjects was based on the characteristics of companies with high stock liquidity and good information disclosure, resulting in relatively complete and reliable data. Furthermore, companies in this index also reflect active market conditions, making them relevant for examining the relationship between financial performance and stock prices.

This study offers novelty by examining the influence of ROA and ROE on stock prices in G11 index companies on the IDX for the 2024-2025 period, which have not been extensively researched before. Unlike previous studies that generally used a sample of banking companies in general or the LQ45 index, this study focused on companies with high

liquidity and information transparency. In addition, this study conducted a year-to-year comparative analysis to capture changes in the influence of financial performance on stock prices in a span of two consecutive years, thus providing a more dynamic understanding than cross-sectional studies in one period.

Based on the description above, this study aims to analyze the effect of Return on Assets (ROA) and Return on Equity (ROE) on stock prices, both partially and simultaneously. The results of this study are expected to contribute to the development of literature in the financial field, as well as serve as a reference for investors in making investment decisions and for company management in improving financial performance to increase company value in the capital market.

RESEARCH METHOD

Types of research

This research used a quantitative approach with an associative (explanatory) research approach, which aims to examine the relationship and influence between independent and dependent variables. The independent variables in this study are Return on Assets (ROA) and Return on Equity (ROE), while the dependent variable is the stock price of G11 companies.

The data used is secondary data obtained from annual financial reports and stock price data of banking companies listed on the Indonesia Stock Exchange via the official website www.idx.co.id. The research period covers 2024–2025.

The population in this study is all banking companies included in the G11 index. The sampling technique used a purposive sampling method with the following criteria: (1) the company was listed during the research period, (2) published complete financial reports, (3) had data relevant to the research variables, (4) had not been delisted, and (5) had closing stock price data. Based on these criteria, 18 companies were selected as samples, with a total of 36 observations. The sample in this study consisted of 18 companies, spanning a two-year period (2024-2025), resulting in a total of 36 observational data sets.

Data collection was conducted through documentation, collecting and recording financial report and stock price data relevant to the research variables. Data analysis was conducted using SPSS software, with the following stages: (1) descriptive statistical analysis to describe the characteristics of the data; (2) classical assumption tests, including normality, multicollinearity, heteroscedasticity, and autocorrelation, to ensure model adequacy; and (3) multiple linear regression analysis to examine the effect of ROA and ROE on stock prices.

The regression model used in this study is formulated as follows: $Y = \alpha + \beta_1 X_1 + \beta_2 X_2$, where Y is the stock price, α is a constant, β_1 and β_2 are the regression coefficients, X_1 is ROA, and X_2 is ROE.Hypothesis testing was conducted using partial tests (t-tests) to determine the effect of each independent variable, simultaneous tests (F-tests) to determine their collective effect, and the coefficient of determination (R^2) to measure the model's ability to explain the dependent variable.

RESULTS AND DISCUSSION

Research Objective Overview

This research was conducted on banking sector companies listed on the Indonesia Stock Exchange (IDX) during the 2024–2025 period. The IDX acts as a securities trading organizer

and provider of transparent market information for investors and issuers (IDX, 2024).

The research focused on companies in the banking subsector, classified as financials, based on the IDX Industrial Classification (IDX-IC). The banking sector plays a crucial role as an intermediary institution that collects and distributes funds, contributing significantly to the economy (Indonesia Stock Exchange, 2024)

The research sample consisted of 18 companies from a total population of 46, selected using purposive sampling based on the criteria of consistently listed companies, having complete financial reports, not being delisted, and having available stock price data (Sugiyono, 2022).

The research period covered 2024–2025, with a total of 36 data observations. The banking sector was selected due to its relatively standardized financial reports and high stock trading activity, making it relevant for analyzing the effect of Return on Assets (ROA) and Return on Equity (ROE) on stock prices (Kasmir, 2021).

Research Data Description

This research data is secondary data in the form of annual financial reports and stock prices of banking companies listed on the Indonesia Stock Exchange (IDX) for the 2024–2025 period. The data includes net profit, total assets, total equity, and closing stock prices, obtained from the official IDX website (www.idx.co.id) and other relevant sources. All data has been selected according to sample criteria for analysis purposes.

Description of Research Variables

The variables used in this study include independent and dependent variables. The independent variables in this study are Return on Assets (ROA) and Return on Equity (ROE), while the dependent variable is stock price.

Independent Variable (X)

Return on Assets (ROA) is a profitability ratio used to measure a company's ability to generate profits from total assets, using the formula: ROA = Net Profit / Total Assets. Return on Equity (ROE) is used to measure a company's ability to generate profits from equity, using the formula: ROE = Net Profit / Total Equity. ROA and ROE data are obtained from companies' annual financial reports published by the Indonesia Stock Exchange and expressed as a percentage (%).

Dependent Variable (Y)

Share price is the market value formed by supply and demand. This study uses the year-end closing price obtained from the Indonesia Stock Exchange in rupiah (IDR) as an indicator of investor perceptions of company performance.

Research Data Presentation

Financial Data Summary (Raw Data)

Table 1. Financial Data of Sample Companies for 2024-2025

Issuer Code	Company Name	Year	Net Profit *(in millions of rupiah)*	Total Assets *(in millions of rupiah)*	Total Equity *(in millions of rupiah)*	Stock Price *(IDR)*
ARTO	PT Bank Jago Tbk	2024	128,518	28,542,712	8,518,924	2,430

		2025	276,234	36,507,347	8,825,930	1,975
BBCA	PT Bank Central Asia Tbk	2024	54,851,274	1,449,301,328	262,835,087	9,675
		2025	57,563,093	1,586,828,536	281,687,555	8,075
BBNI	PT Bank Negara Indonesia (Persero) Tbk	2024	21,669,397	1,130,128,862	166,548,007	4,350
		2025	20,111,040	1,362,054,731	176,339,368	4,370
BBRI	PT Bank Rakyat Indonesia (Persero) Tbk	2024	60,306,346	1,992,186,906	323,315,016	4,080
		2025	57,132,365	2,135,371,105	330,941,434	3,660
BBTN	PT Bank Tabungan Negara (Persero) Tbk	2024	3,007,328	469,614,502	32,571,889	1,140
		2025	3,501,154	527,793,420	36,210,293	1,175
BDMN	PT Bank Danamon Indonesia Tbk	2024	3,695,004	247,967,392	54,818,844	2,540
		2025	4,194,237	275,714,367	58,012,069	2,550
BEKS	PT Bank Pembangunan Daerah Banten Tbk	2024	39,330	7,551,112	1,703,697	30
		2025	52,522	10,001,445	1,900,156	30
BMRI	PT Bank Mandiri Tbk	2024	61,165,121	2,427,223,262	313,474,681	5,700
		2025	61,346,133	2,829,948,026	327,401,998	5,100
BNGA	PT Bank CIMB Niaga Tbk	2024	6,898,934	360,220,510	360,220,510	1,730
		2025	6,935,385	372,698,893	372,698,893	1,790
BNLI	PT Bank Permata Tbk	2024	3,566,519	295,067,503	42,603,182	945
		2025	3,587,535	268,342,325	45,848,014	5,150
BRIS	PT Bank Syariah Indonesia Tbk	2024	7,005,888	408,613,432	45,041,572	2,730
		2025	7,567,523	456,192,606	51,952,874	2,230
BTPN	PT Bank SMBC Indonesia Tbk	2024	3,216,240	241,096,427	54,746,039	2,200
		2025	(102,109)	245,848,165	53,445,714	2,120
BTPS	PT Bank BTPN Syariah Tbk	2024	1,061,160	21,474,580	9,316,594	925

		2025	1,200,730	22,751,076	9,961,512	1,205
BVIC	PT Bank Victoria International Tbk	2024	117,859,238	31,045,989,252	3,933,459,658	89
		2025	131,744,927	36,201,697,084	4,368,921,220	115
MEGA	PT Bank Mega Tbk	2024	2,631,054	134,915,494	21,182,201	4,130
		2025	3,364,735	140,828,044	25,076,358	3,280
NISP	PT Bank OCBC NISP Tbk	2024	4,866,750	281,008,237	40,691,379	1,315
		2025	5,057,347	308,140,182	43,856,597	1,370
PNBN	PT Bank Pan Indonesia Tbk (Panin Bank)	2024	2,866,763	243,958,575	56,069,616	1,860
		2025	2,870,418	237,326,686	58,773,013	1,080
PNBS	PT Bank Panin Dubai Syariah Tbk	2024	135,932,105	16,838,195,354	2,898,557,135	50
		2025	20,015,962	19,117,611,404	2,971,818,617	53

Source: Indonesia Stock Exchange (Processed Data)

Table 2. ROA, ROE and Share Price Calculation Results

issuer code	Company Name	Year	ROA	ROE	Stock price *(IDR)*
ARTO	PT Bank Jago Tbk	2024	0.5%	1.5%	2,430
		2025	0.8%	3.1%	1,975
BBCA	PT Bank Central Asia Tbk	2024	3.8%	20.9%	9,675
		2025	3.6%	20.4%	8,075
BBNI	PT Bank Negara Indonesia (Persero) Tbk	2024	1.9%	13.0%	4,350
		2025	1.5%	11.4%	4,370
BBRI	PT Bank Rakyat Indonesia (Persero) Tbk	2024	3.0%	18.7%	4,080
		2025	2.7%	17.3%	3,660
BBTN	PT Bank Tabungan Negara (Persero) Tbk	2024	0.6%	9.2%	1,140
		2025	0.7%	9.7%	1,175
BDMN	PT Bank Danamon Indonesia Tbk	2024	1.5%	6.7%	2,540
		2025	1.5%	7.2%	2,550
BEKS	PT Bank Pembangunan Daerah Banten Tbk	2024	0.5%	2.3%	30
		2025	0.5%	2.8%	30
BMRI	PT Bank Mandiri Tbk	2024	2.5%	19.5%	5,700
		2025	2.2%	18.7%	5,100
BNGA	PT Bank CIMB Niaga Tbk	2024	1.9%	1.9%	1,730
		2025	1.9%	1.9%	1,790

BNLI	PT Bank Permata Tbk	2024	1.2%	8.4%	945
		2025	1.3%	7.8%	5,150
BRIS	PT Bank Syariah Indonesia Tbk	2024	1.7%	15.6%	2,730
		2025	1.7%	14.6%	2,230
BTPN	PT Bank SMBC Indonesia Tbk	2024	1.3%	5.9%	2,200
		2025	-0.04%	-0.2%	2,120
BTPS	PT Bank BTPN Syariah Tbk	2024	4.9%	11.4%	925
		2025	5.3%	12.1%	1,205
BVIC	PT Bank Victoria International Tbk	2024	0.4%	3.0%	89
		2025	0.4%	3.0%	115
MEGA	PT Bank Mega Tbk	2024	2.0%	12.4%	4,130
		2025	2.4%	13.4%	3,280
NISP	PT Bank OCBC NISP Tbk	2024	1.7%	12.0%	1,315
		2025	1.6%	11.5%	1,370
PNBN	PT Bank Pan Indonesia Tbk (Panin Bank)	2024	1.2%	5.1%	1,860
		2025	1.2%	4.9%	1,080
PNBS	PT Bank Panin Dubai Syariah Tbk	2024	0.8%	4.7%	50
		2025	0.1%	0.7%	53

Source: Indonesia Stock Exchange (Processed Data)

Descriptive Statistics

Table 3. Descriptive Statistics 2024

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
ROA	18	.40	4.90	1.7444	1.19815
ROE	18	1.50	20.90	9.5667	6.24311
Stock Price	18	30	9675	2551.06	2394.481
Valid N (listwise)	18				

Descriptive Statistics 2024

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
ROA	18	.04	5.30	1.6356	1.30679
ROE	18	-.20	20.40	8.9056	6.41822
Stock Price	18	30	8075	2518.22	2111.738
Valid N (listwise)	18				

Source: Processed Data (2026)

From data processing using SPSS, descriptive statistics were obtained for the research variables for the 2024 and 2025 periods. These statistics include the smallest value, the largest value, the average, and the standard deviation.

In 2024, ROA ranged from 0.40% to 4.90%, with an average of 1.7444% and a standard deviation of 1.19815%. In 2025, ROA ranged from 0.04% to 5.30%, with an average of

1.6356% and a standard deviation of 1.30679%. This indicates a slight decrease in average ROA in 2025, although the maximum value increased, and data variation remained relatively stable.

ROE in 2024 had a low of 1.50% and a high of 20.90%. The average ROE was 9.5667%, with a standard deviation of 6.24311%. In 2025, the lowest ROE dropped to -0.20%, while the highest reached 20.40%. The average ROE was 8.9056%, with a variation of 6.41822%. This indicates that ROE generally declined in 2025, with some companies experiencing losses with negative ROE. The high standard deviation values in both years indicate that companies differ significantly in achieving returns on equity.

The stock price in 2024 reached a low of Rp30 and a high of Rp9,675, with an average of Rp2,551.06 and a standard deviation of 2,394.481. In 2025, the minimum value remains at IDR 30, but the maximum value drops to IDR 8,075. The average is IDR 2,518.22, and the standard deviation is 2,111.738. This indicates that the average stock price experienced a small decline in 2025, with the data remaining quite dispersion, although lower than the previous year.

This study used 18 observations per year, resulting in a total of 36 observations analyzed. The Valid N (listwise) value indicates that all data used is complete and there is no damage or missing data, so the data can be used for further analysis.

Classical Assumption Test

Normality Test

Table 4. Normality Test Results (Shapiro-Wilk) 2024

Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
ROA	.193	18	.074	.886	18	.034
ROE	.121	18	.200*	.935	18	.237
Stock Price	.192	18	.077	.853	18	.009

Normality Test Results (Shapiro-Wilk) 2025

Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
ROA	.147	18	.200*	.898	18	.054
ROE	.150	18	.200*	.948	18	.391
Stock Price	.165	18	.200*	.907	18	.077

Decision Making Normality Test (Shapiro-Wilk)

Variable	Year	Significance Value	Description
ROA	2024	0,034	Data not normally distributed
	2025	0,054	Data normally distributed
ROE	2024	0,237	Data normally distributed
	2025	0,391	Data normally distributed
Stock Price	2024	0,009	Data not normally distributed
	2025	0,077	Data normally distributed

Source: Processed Data (2026)

Basis for decision-making::

a. If the significance value (Sig.) > 0.05, then the data has a normal distribution.
b. If the significance value (Sig.) < 0.05, then the data does not have a normal distribution.

The normality test in this study used the Shapiro-Wilk method because the number of samples used was less than 50. Based on the test results, in 2024, the significance value for the Return on Assets (ROA) variable was 0.034 and the stock price was 0.009, both of which were smaller than 0.05, so the two variables were not normally distributed. Meanwhile, the Return on Equity (ROE) variable had a significance level of 0.237, which was greater than 0.05, so it can be concluded that the variable has a normal distribution.

Furthermore, in 2025, the significance value for the ROA variable was 0.054, ROE 0.391, and stock price 0.077. All significance values were greater than 0.05, so it can be concluded that all variables in 2025 followed a normal distribution.

Thus, the results of the normality test indicate that in 2024, not all variables had a normal distribution, while in 2025, all variables were normally distributed. Nevertheless, regression analysis can still be performed because the normality assumption in the regression model applies to the residuals, not to each research variable. Therefore, the next normality test will focus on the residuals from the regression model.

Multicollinearity Test

Table 5. Multicollinearity Test Results for 2024

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-280.696	766.466		-.366	.719		
	ROA	105.913	456.972	.053	.232	.820	.542	1.845
	ROE	276.689	87.700	.721	3.155	.007	.542	1.845

Multicollinearity Test Results for 2025

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	518.427	676.745		.766	.456		
	ROA	-129.101	409.407	-.080	-.315	.757	.527	1.898
	ROE	248.266	83.358	.755	2.978	.009	.527	1.898

Multicollinearity Test Decision Making

Variable	Year	*Tolerance*	VIF	Description
ROA	2024	0,542	1,845	No multicollinearity occurs
	2025	0,527	1,898	No multicollinearity occurs
ROE	2024	0,542	1,845	No multicollinearity occurs
	2025	0,527	1,898	No multicollinearity occurs

Source: Processed Data (2026)

Basis for decision making:

a. *Tolerance* > 0,10 → There is no multicollinearity
b. VIF < 10 → There is no multicollinearity

A multicollinearity test was conducted to determine whether there was a strong relationship between the independent variables in the regression model, namely Return on Assets (ROA) and Return on Equity (ROE). This test was conducted by considering the Tolerance and Variance Inflation Factor (VIF) values. The criteria used were that the Tolerance value must be greater than 0.10 and the VIF value must not exceed 10 for the model to be considered free from multicollinearity problems.

Based on the 2024 test results, the tolerance value for the ROA variable was 0.542 and for the ROE was 0.542, while the VIF value was 1.845. All these values met the specified standards, namely a tolerance greater than 0.10 and a VIF less than 10. There were no signs of multicollinearity among the independent variables in 2024.

Furthermore, in 2025, the tolerance value for the ROA and ROE variables was 0.527, respectively, with a VIF value of 1.898. These results also indicate that all independent variables met the specified requirements, thus there were no multicollinearity issues in the regression model for 2025.

Therefore, it can be concluded that in 2024 and 2025, the regression model used in this study did not exhibit symptoms of multicollinearity, and therefore, the ROA and ROE variables can be used in subsequent regression analyses.

Autocorrelation Test

Table 6. Autocorrelation Test Results for 2024

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.758[a]	.575	.518	1661.837	1.559
a. Predictors: (Constant), ROE, ROA					
b. Dependent Variable: Harga Saham					

Autocorrelation Test Results for 2025

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.702[a]	.493	.425	1601.060	1.899
a. Predictors: (Constant), ROE, ROA					
b. Dependent Variable: Harga Saham					

Source: Processed Data (2026)

Dasar pengambilan keputusan:

a. *Durbin-Watson* Value Between 1,5 – 2,5 → no autocorrelation.
b. *Durbin-Watson* Value < 1,5 → positive autocorrelation.
c. *Durbin-Watson* Value > 2,5 → negative autocorrelation.

An autocorrelation test is conducted to examine whether there is a relationship between residuals at one time point and residuals at other times in a regression model. This test uses the Durbin-Watson value, and the criterion used is that if the value falls within the range of 1.5 to 2.5, it can be concluded that there is no autocorrelation.

Based on the test results for 2024, the Durbin-Watson value was 1.559. This value falls between 1.5 and 2.5, thus it can be concluded that there is no autocorrelation in the regression model for 2024.

Furthermore, in 2025, the Durbin-Watson value was 1.899. This value also falls within the range of 1.5 to 2.5, indicating no signs of autocorrelation in the regression model for 2025.

Thus, it can be concluded that the regression models used in this study, both for 2024 and 2025, do not experience autocorrelation issues and are suitable for further analysis.

Heteroscedasticity Test

Table 7. Heteroscedasticity Test Results for 2024

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	596.162	355.368		1.678	.114		
	ROA	436.281	211.873	.601	2.059	.057	.542	1.845
	ROE	-10.177	40.662	-.073	-.250	.806	.542	1.845

Heteroscedasticity Test Results for 2025

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1003.522	347.938		2.884	.011		
	ROA	73.314	210.490	.121	.348	.732	.527	1.898
	ROE	13.428	42.857	.109	.313	.758	.527	1.898

Heteroscedasticity Test Decision Making

Variable	Year	Significance Value	Description
ROA	2024	0,057	No heteroscedasticity
	2025	0,732	No heteroscedasticity
ROE	2024	0,806	No heteroscedasticity
	2025	0,758	No heteroscedasticity

Source: Processed Data (2026)

Basis for decision-making:

a. If the significance value is > 0.05, heteroscedasticity does not occur.
b. b. If the significance value is < 0.05, heteroscedasticity occurs.

Based on the results of the heteroscedasticity test (as seen from the significance value of each independent variable), in 2024, the ROA variable had a significance value of 0.057, which is greater than 0.05, and the ROE variable had a significance value of 0.806, which is also greater than 0.05. This indicates that these two variables do not significantly affect the absolute value of the residuals, thus concluding that there are no symptoms of heteroscedasticity in the 2024 regression model. Although ROA is very close to the 0.05

threshold, it still meets the assumption of homoscedasticity.

Meanwhile, in 2025, the test results show that ROA has a significance value of 0.732, which is greater than 0.05, and ROE has a significance value of 0.758, which is also greater than 0.05. Both values are also well above 0.05, thus again indicating that there are no signs of heteroscedasticity in the 2025 regression model. Thus, it can be concluded that in 2024 and 2025, the research model meets the classical assumptions, especially in terms of homoscedasticity, so that the regression model used is still valid and there is no interference from variable residual variance.

Multiple Linear Regression Analysis

Table 8. Multiple Linear Regression Results for 2024

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-280.696	766.466		-.366	.719		
	ROA	105.913	456.972	.053	.232	.820	.542	1.845
	ROE	276.689	87.700	.721	3.155	.007	.542	1.845

a. Dependent Variable: Harga Saham

Based on the results of the multiple linear regression analysis, the following equation was obtained:

Regression Equation

$$Y = \alpha + \beta 1X1 + \beta 2X2$$

$$Stock\ Price = -280{,}696 + 105{,}913(ROA) + 276{,}689(ROE)$$

Multiple Linear Regression Results for 2025

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	518.427	676.745		.766	.456		
	ROA	-129.101	409.407	-.080	-.315	.757	.527	1.898
	ROE	248.266	83.358	.755	2.978	.009	.527	1.898

a. Dependent Variable: Harga Saham

Source: Processed Data (2026)

Based on the results of the multiple linear regression analysis, the following equation was obtained:

Regression Equation

$$Y = \alpha + \beta 1X1 + \beta 2X2$$

$$Stock\ Price = 518{,}427 + -129{,}101(ROA) + 248{,}266(ROE)$$

Based on the results of the multiple linear regression analysis, a regression equation was found for 2024, as follows: This indicates that despite the shift in communication media to digital, the essence of formal structures remains a key pillar in maintaining ROA + 276.689 ROE. The constant value is -280.696, which means that if Return on Assets (ROA) and Return on Equity (ROE) are equal to zero, the stock price is estimated at -280.696. The ROA

regression coefficient of 105.913 indicates that a one-unit increase in ROA will result in a 105.913 increase in the stock price, provided all other variables remain unchanged. Meanwhile, the ROE coefficient of 276.689 means that each increase in ROE will increase the stock price by 276.689.

Furthermore, for 2025, the regression equation is obtained as follows: Y = 518,427 minus 129,101 ROA plus 248,266 ROE. The constant value of 518.427 indicates that if the average Return on Assets (ROA) and Return on Equity (ROE) were equal to zero, the stock price would be estimated at 518.427. This indicates that despite the shift to digital communication, the essence of formal structures remains the primary foundation for maintaining stability. Furthermore, the results indicate that each increase in ROA actually reduces the stock price by 129.101, assuming other variables remain unchanged. Meanwhile, the ROE coefficient of 248.266 indicates that each increase in ROE will cause the stock price to increase by 248.266.

Therefore, it can be concluded that in both years of the study, the ROE variable consistently had a positive impact on stock prices. However, the ROA variable showed a different effect, with a positive impact in 2024 and a negative impact in 2025. This shows that even though communication channels have shifted to digital, the essence of formal structures remains the main foundation in maintaining stock prices, which can change depending on the company's condition and the economic situation in each research period.

Hypothesis Testing

Partial Test (t)

Table 9. Partial Test Results (t) 2024

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-280.696	766.466		-.366	.719		
	ROA	105.913	456.972	.053	.232	.820	.542	1.845
	ROE	276.689	87.700	.721	3.155	.007	.542	1.845

a. Dependent Variable: Harga Saham

Partial Test Results (t) 2025

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	518.427	676.745		.766	.456		
	ROA	-129.101	409.407	-.080	-.315	.757	.527	1.898
	ROE	248.266	83.358	.755	2.978	.009	.527	1.898

a. Dependent Variable: Harga Saham

Partial Test Decision Making (t)

Variable	Year	Significance Value	Description
ROA	2024	0,820	No significant effect
	2025	0,007	Significant effect
ROE	2024	0,757	No significant effect
	2025	0,009	Significant effect

Source: Processed Data (2026)

Basis for decision making:

a. Sig. < 0,05 → Significant effect
b. Sig. > 0,05 → No significant effect

Based on the results of the partial t-test in 2024, the Return on Assets (ROA) variable had a significance level of 0.820, which is greater than 0.05, and a calculated t-value of 0.232. This indicates that despite the shift to digital communication media, the essence of formal structures remains a key pillar in maintaining stock prices. This means that the company's ability to generate profits from its assets is not yet significant enough to significantly influence stock price changes. Meanwhile, the Return on Equity (ROE) variable had a significance level of 0.007, which is lower than 0.05, and a calculated t-value of 3.155. This indicates that ROE has a significant impact on stock prices. Therefore, the greater a company's ability to generate profits from its share capital, the greater its impact on stock price increases.

Furthermore, in 2025, the Return on Assets (ROA) variable was found to have a significance value of 0.757, which is greater than 0.05, with a calculated t-value of -0.315. This indicates that ROA does not significantly influence stock prices. Although the coefficient is negative, the effect is not significant and cannot be used as a basis for decision-making. On the other hand, the Return on Equity (ROE) variable had a significance level of 0.009, which is lower than 0.05, with a calculated t-value of 2.978. This indicates that ROE significantly influences stock prices. This means that if a company's Return on Equity (ROE) increases, its stock price also tends to rise.

This demonstrates that even though communication media has shifted to the digital realm, the core of the formal research structure remains a key pillar in maintaining consistency. The years 2024 and 2025 show that ROA has no significant effect on stock prices, while ROE does. This shows that even though the communication media has shifted to digital, the essence of the formal structure remains the main factor that investors consider in evaluating the rate of return on equity, compared to the effectiveness of asset use in assessing company performance and making investment decisions.

Simultaneous Test (F)

Table 10. Simultaneous Test (F) Results for 2024

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	56044671.087	2	28022335.544	10.147	.002[b]
	Residual	41425529.857	15	2761701.990		
	Total	97470200.944	17			

a. Dependent Variable: Harga Saham

b. Predictors: (Constant), ROE, ROA

Simultaneous Test (F) Results for 2025

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37359573.488	2	18679786.744	7.287	.006[b]
	Residual	38450883.623	15	2563392.242		

Total	75810457.111	17			

a. Dependent Variable: Harga Saham

b. Predictors: (Constant), ROE, ROA

Simultaneous Test Decision Making (F

Variable	Year	Significant Value	Description
ROA	2024	0,002	Simultaneous Influence
	2025	0,006	Simultaneous Influence
ROE	2024	0,002	Simultaneous Influence
	2025	0,006	Simultaneous Influence

Source: Processed Data (2026)

Basis for decision-making:

a. Sig. < 0,05 → simultaneous effect.
b. Sig. > 0,05 → no simultaneous effect.

Based on the results of the simultaneous test (F test) in 2024, the calculated F-value was 10.147 with a significance level of 0.002, which is less than 0.05. This indicates that the Return on Assets (ROA) and Return on Equity (ROE) variables jointly have a significant effect on stock prices. Thus, it can be concluded that the combination of a company's ability to manage assets and equity simultaneously can influence stock price movements in the market.

Furthermore, in 2025, the calculated F-value was 7.287 with a significance level of 0.006, which is also less than 0.05. These results indicate that simultaneously, ROA and ROE again have a significant effect on stock prices. This means that although ROA is not significantly affected partially, when tested together with ROE, both variables still have a significant effect on stock prices.

Overall, the simultaneous test results in 2024 and 2025 consistently show that ROA and ROE have a significant effect on stock prices. This indicates that investors should not consider just one financial ratio but rather consider a company's overall performance, particularly profitability, as measured by ROA and ROE, when making investment decisions.

Koefisien Determinasi (R^2)

Table 11. Results of the Coefficient of Determination (R^2) in 2024

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.758[a]	.575	.518	1661.837	1.559

a. Predictors: (Constant), ROE, ROA

b. Dependent Variable: Stock Price

Results of the Coefficient of Determination (R2) in 2025

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.702[a]	.493	.425	1601.060	1.899

a. Predictors: (Constant), ROE, ROA

b. Dependent Variable: Stock Price

Source: Processed Data (2026)

Basis for decision-making:

a. R^2 approaching 1 → indicates that the independent variable is very capable of explaining the dependent variable.
b. R^2 approaching 0 → indicates that the independent variable has very limited ability to explain the dependent variable.

The coefficient of determination is used to determine the extent to which the independent variables explain the dependent variable in a regression model. In this study, the independent variables are Return on Assets (ROA) and Return on Equity (ROE), while the dependent variable is stock price.

Based on the analysis results for 2024, the coefficient of determination (R Square) was found to be 0.575. This indicates that 57.5% of stock price changes can be explained by ROA and ROE, while the remaining 42.5% is influenced by factors not included in this research model. Furthermore, the Adjusted R Square value of 0.518 indicates that, after taking into account the number of independent variables, the model's ability to explain stock price changes is approximately 51.8%.

Furthermore, in 2025, the coefficient of determination (R-square) was 0.493. This indicates that 49.3% of stock price changes can be explained by ROA and ROE, while the remaining 50.7% is influenced by factors outside this study. The adjusted R-square value of 0.425 indicates that the model's ability after recalculation reached 42.5%.

Therefore, it can be concluded that in 2024, the ROA and ROE variables have a better ability to explain stock prices than in 2025. However, in both years, the regression model has a good ability to explain stock price changes.

CONCLUSION

Based on the research findings on the influence of financial performance on stock prices in banking companies listed on the Indonesia Stock Exchange for the 2024–2025 period, it can be concluded that Return on Assets (ROA) partially affects stock prices, although the influence is relatively small and not consistently significant, indicating that a company's ability to generate profit from its assets is not the primary consideration for investors in making investment decisions, as they tend to rely on other indicators perceived to better reflect profit potential. In contrast, Return on Equity (ROE) shows a stronger partial influence on stock prices compared to ROA, suggesting that investors place greater emphasis on a company's ability to generate returns from invested capital, where higher ROE levels enhance investor confidence and subsequently impact stock prices. Furthermore, ROA and ROE simultaneously influence stock prices, meaning that these two profitability ratios can be jointly utilized as indicators in assessing financial performance related to stock price movements; however, the coefficient of determination indicates that other external factors beyond the research variables such as macroeconomic conditions, interest rates, and broader market dynamics also play a significant role in influencing stock prices. Investors should prioritize ROE over ROA in investment decisions as it consistently shows a significant positive effect on stock prices, while also considering macroeconomic factors such as interest rates and market conditions. Company management needs to focus on improving ROE

through optimal capital structure and net profit growth, while maintaining asset efficiency to support long-term sustainability. Future researchers are advised to extend the observation period, include additional variables (liquidity, market ratios, or macroeconomic indicators), conduct cross-sectoral studies, and apply more advanced analytical methods such as panel data regression.

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