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Financial Performance And Company Value of Shariah Banking In Indonesia

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ABSTRACT

This research aims to understand the influence of CAR, FDR, NPF, and ROA to the Company Value of Shariah Banking in Indonesia. The study is done at the Indonesian Stock Exchange and Shariah Banking in Indonesia. The research object on the company financial report shariah banks in the form of financial reports the period of 2014 – 2019 is loaded in the Indonesian Capital Markets Directory as well as data originating from IDX, ICMD, and annual report. To test the hypotheses of variable X and variable Y simultaneously using the F, while based on partial use t. The data used was secondary data. In this research used time series data and cross section (pooling data), and based on the criteria, the number of sample which satisfies the criteria of as many as 8 shariah banks of 12 shariah banking as the population. The result showed that simultaneously CAR, FDR, NPF and ROA have significant impact on the company value. In partial CAR and ROA on this fact have a positive and significant on the company value, NPF have a negative and significant on the company value, and FDR have an insignificant for the company value. The result is expected to be a valuable input especially for investors as consideration in decision making of investing; also for the company management is expected to be a consideration in this matter, in addition, the result of this research can be an important reference to the similar research for the benefit of applied and science development.

Keywords: CAR, FDR, NPF, ROA, Company Value

INTRODUCTION

The background of Research Problem

The business activity of shariah banking was essentially an expansion of banking services for people who need and would seek payment of reward that is not based on interest system, but on the base of the shariah principle as laid down in Islamic shariah. The application of shariah banking system is set to be expanding the constitution and furnish the products and the banking services that exist. The existence of shariah banking system that would help meet the needs of some communities that are not willing to take advantage of conventional banks services because the principle of confidence and trust. Basically the products of shariah banking are universal not only for a group of a particular society, although the operation principle of the shariah banks is based on Islamic shariah.

According to statistic data published by Bank Indonesia in 2012, national shariah banking has increased in the volume of business which consists of total assets, the third party funds, and the total distributed financing. To maintain the public trust, the banks should consider the financial performance. Banking financial performance was an image of the financial condition of a bank in a specified period, includes the aspects of fundraising or the distribution of fund. One of the indicators to assess the bank financial performance is seeing the company value. The higher value of a bank company, the bank performance will be better. The company can be seen from the amount of the company paid dividends. The dividends will affect share prices. If a dividend paid high, and share prices tend to be high that, so the company value also high (Harjito and Martono, 2015). The company value can confer the maximum prosperity of shareholders when stock price increase.

A bank financial condition is the interests of all parties included the owner, bank management, bank users, Bank Indonesia as banking supervision authority and other parties. To see the average performance development shariah banks in Indonesia is on the figure below.

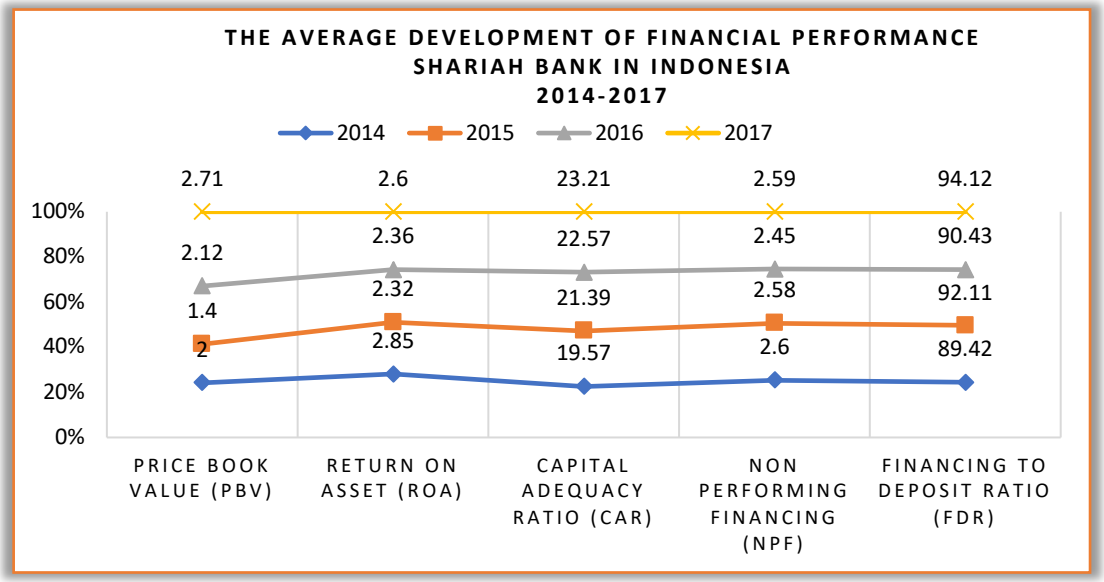


Figure 1.1
Sources: Indonesian Statistic Banking, 2019 data processed

Capital Adequacy Ratio (CAR) every year since 2014 until 2017 shows the rises trend, this indicates that shariah banks in Indonesia has shown a good performance. CAR will be healthy if the bank having the CAR ratio at least 8%. Non Performing Financing (NPF) reflect the performance of the banks in credit distribution, the lower value of NPF of the bank, the performance of the banks will be better and the loan defaults is small or low. Financing to Deposit Ratio (FDR) is the comparison between the amounts of loans with the third party fund collected by the bank. The FDR are good to be around 110% (Kasmir, 2014). Return on Asset (ROA) providing information on how efficiently a bank in conducting business activities, because this ratio indicates how big an advantage can be obtained on average every rupiah assets (Siamat, 2005), but in fact financial performance was not always reflected by this ratio is directly proportional to price book value, due to external factors such as market sentiment, the condition of the economy, government policy and others.

The research result of Zulifiah (2014), said that Capital Adequacy Ratio (CAR), non-performing financing (NPF) have an impact on profitability shariah commercial banks. Ummah and Suprapto (2015) said that FDR have a negative influence on profitability. CAR and NPL will not affect the profitability. Zakchona (2016), stated that CAR, NPL, ROA, LDR, ratios have significant and positive impacts on expected return by simultaneous equation model. In partial equation model, CAR, NPL, and ROA ratios have not significant and have positive impacts on expected return. LDR ratios have significant and negative impacts on expected return. Mazreku (2018), based on panel data analysis, it is noted that specific factors, specifically, capital adequacy, non-performing loan, significantly affect bank liquidity. Alamsyah and Latief (2019), the results of this study indicate that CAR and NPF variables have no significant on ROA The results of the investigation provides information that CAR has increased every year, which indicating that would be followed by the PBV, but what happens is PBV fluctuate, similarly NPF.

Formulation of the Problem

From the background explanation, the problem in this research is how the influence of CAR, FDR, NPF, ROA to the Shariah Banking Company Value in Indonesia by partial and simultaneous.

THEORETICAL REVIEW

Company Value

Maximize the value of a company is a purpose which is relevant in this era of a tight competition. The company value is investor perception to the level of success, often associated with company stock price. High stock prices make the company value also high, and increase market confidence not only for the company now but also on the prospects for companies in the future. Maximize the company value is very important for a company, because to maximize the company value means also maximize the main purpose of company (Harjito and Martono, 2015). The increase of the company value is an achievement according to the hope of the owner, because with the increasing of the company value, the welfare of the owners is increased. According to Sartono (2010), company value is selling price a company as a business that was working.

Presence of excess sales value above the liquidation is the value of the management that runs the company. According to Harmono (2014), company value is the performance of a company reflected by stock price formed by demand and supply stock market reflects the people judgment on the performance of the company. Atmaja (2003), said the company value are the condition

made by a company as a picture of public trust in the company after going through a process of activities for several years, that is since the company established up to now, while Husnan and Pudjiastuti (2015) said the company value were the price by a potential buyer will pay. According to Suripto (2015), company value is the present value from the free cash flow in the future at discount rate based on weighted average coal capital cost. Free cash flow is cash flow that available to investors (creditors and the owner) after taking into account all expenditure for the operational costs of the company and the expenditure for the investment and net assets smoothly. According to Manurung (2012), The Company is the value of actual per share was provided when the stock is sold as company assets.

The Measurement of the Company Value

The company value can be measured on the stock, using the ratio that called the judgment ratio. According to Sudana (2015), the ratio of judgment is a ratio of the relating to assess performance stock of a corporation that traded in share market (go public). The ratio of judgment provides information appreciate how much the company, interested to buy stock so the community at the higher price than the book. Here some method used to measure the company value.

a) Price Earnings Ratio (PER)

The market ratio measures the company stock market prices, relative for the book. The point of view of this ratio more as a result of the perspective of investor, despite a management also interested to this ratio. There are several ratio among other things that could be enumerated Price Earnings Ratio (Hanafi, 2011). Price Earnings Ratio (PER) see the stock market prices relative to earnings. Company expected to the growth rates high (which means still have good prospect), usually has high PER (Awat, 1999). Price earnings ratio (PER) showing how much the amount of money that spent by the investors to pay every dollar reported profit, Brigham and Houston (2011). This ratio is used for measuring how much the price of stocks of companies with profits gained by the shareholders. Uses price earnings ratio is to see how market appreciates the company performance reflected by his consequently earning per share. Price earnings ratio showing the relation between stock market uses to consequently earning per share. Price earnings ratio (PER) serves to measure changes in the capacity of expected in the future. More PER, so the larger the possibility of companies to grow so can increase the company. When the stock market efficient this ratio indicates corporate profit growth. The higher per capitalists had projected the country higher corporate profits (Husnan, and Pujiastuti, 2015).

b) Price to Book Value (PBV)

Shareholders usually pay more attention to market value because they can sell its stake at a price of the market. Price to Book Value (PBV) is the contrast between market price and the book value of stock. To companies that runs well, generally the ratio of was one, on showing that the stock market greater than the book (Atmaja, 2003). The larger ratio of PBV the higher company assessed by capitalists relatively than that has been implanted in the company, (Husnan and Pudjiastuti, 2015). Price to Book Value (PBV) describing how much the market appreciates the value of the company stocks book. Increasing this ratio, market means that the company prospects. PBV also shows how far a company to be able to create the company value that is relative to the amount of capital invested (Hanafi, 2011).

Some Review about the Researched Concept

Bank Performance

To know the financial position of a bank it can be seen financial reports presented periodically. This report also simultaneously describes the performance of the banks during this period. Every report presented and established in accordance with the standard established .Until now the financial analysis shariah banks still use the rules and regulations on conventional banks, the ratio of analysis financial can be done by comparing the ratio now with and that will come at the same company or between companies and other firms with the norm industry (Muhamad, 2014). So that the report can be an analysis is also needs to be understood. The analysis used is by using financial ratios are in accord with standards apply Kasmir, (2014). Analysis and their financial share the ratio of will give a better to achievement and financial condition.

Capital Adequacy Ratio (CAR)

The ratio to see the bank capital adequacy is the Capital Adequacy Ratio (CAR). *CAR* shows the management capability to ensure adequate capital by means of identification, over and control risks that can affect even to the size of capital. According to Hasibuan (2009), *CAR* is one of the way of numbering is capital is in a bank are sufficient or not. Darmawi (2011) said that CAR is the one of capital adequacy component factors. Kasmir (2014) stated that *CAR* is comparisons between the weighted average of assets in the capital ratio against risks and in line with the regulation according to the government. According to Bank Indonesia (Number 9/13/PBI/2007), *CAR* is providing for the banks based on minimum capital risk asset in a wider sense, good asset on and been administrative the any assets that are as reflected by the still in continent and / or commitment provided by a bank for the third market and risk. The minimum value of CAR set by Banking for International Settlement *(BIS)* amounting to 8%, so if CAR are less than 8% Thus it can be said the bank capital structure unhealthy (Siamat, 2005). The assessment criteria based on CAR components can be seen in table 2.1 below:

Table 2.1 the Matrix Criteria of CAR Components Rate

Ratio	Rate	Predicate
CAR ≥ 12%	1	Very Good
9% ≤ CAR < 12%	2	Good
8% ≤ CAR < 9%	3	Enough
6% < CAR < 8%	4	Bad
CAR ≤ 6%	5	Very Bad

Sources: SE BI No. 13/1/PBI/2011

Financing to Deposit Ratio (FDR)

If LDR is a term used in the conventional banking world, then financing to Deposit Ratio (FDR) is a term that used in Shariah banking. FDR used because in the Shariah banking there is no loan term. Shariah bank only knows financing or funding. FDR essentially comparing between the sizes of funding afforded by a bank with the size of saving and bank equity. FDR is the ratio between funds provided by a bank with third party funds worked in deployed by a bank, Muhammad (2005). The amount of financing that provided to the public or customers, the banks must immediately able to offset fulfillment of the needs of recall funds at any time by depositors. FDR defined as of the given to the money received bank. The assessment criteria based on FDR and LDR rank components and shows in table 2.2 below:

Table 2.2 the Matrix Criteria of FDR Components Rate

Ratio	Rate	Predicate
FDR ≤75%	1	Very Good
75% <FLDR ≤ 85%	2	Good
85% < FDR ≤ 100%	3	Enough
100% <FDR < 120%	4	Bad
FDR > 120%	5	Very Bad

Sources: SE BI No. 13/1/PBI/2011

Non Performing Financing (NPF)

The term of Non performing Financial (NPF) used in the shariah banking industry, to replace the concept of loans in connection with interest (Loan), because in the shariah bank there is no interest but there is only financing. According to Lemiyana and Litriani, (2016) non performing financing (NPF) is the financial ratio that shows financing risks faced by bank due to the provision of financing and the bank investment in the different portfolio. The smaller non performing Financing (NPF) so the credit risk that is borne by the bank will be smaller. When a bank has non performing financing (NPF) high, shows that the bank is not professional in managing the credit, and indicated that the risk rate or loans for the bank was quite high in line with the Performing Financing (NPF) that facing by the bank.

From explaining above can be concluded that financing troubled is a condition of causing slowness in repaying. While the total financing that were distributed by the bank if not addressed well, then NPF is a source of potential loss for the bank. Banking experts agreed that the NPF safe from a bank should not exceed 5%. According to Siamat (2005) The assessment criteria based on NPL rank components shows in table 2.3 below:

Table 2.3 the Matrix Criteria of NPF Components Rate

NPF	Risk Value	Risk Predicate
NPF <2%	1	Very Good
2%≤ NPF <5%	2	Good
5%≤ NPF <8%	3	Enough
8%≤ NPF <12%	4	Bad
NPF≥ 12%	5	Very Bad

Sources: SEBI No. 13/1/PBI/2011

Return on Assets (ROA)

The company profitability is the ability to generate profits for a particular period that can be used as an instrument for measuring, company operating results can also be an image of the performance of the management of the results obtained profit. In the banking industry profitability are defined how to maximize profits with the bank fund owned by. Analysis ratio which is often used in measuring performance in banking profitability is ROA (Muhammad, 2004). According to Umam, (2013) ROA is the ratio of a finance company that associated with the earning or profitability. ROA serves to measure effectiveness company in generate profit by using assets owned. The bigger ROA owned by a company, more efficient use of assets so that would enlarge profit. A big profit will attract investor because the company has a change for the

increasingly high. According to Dendawijaya, (2005) ROA used to measure bank profitability because Bank Indonesia as the bank supervisors and inspector banks prefer the bank profitability value as measured by assets which the fund most of the savings funds.

Based on the meaning of the experts above, can be concluded that Return on Assets (ROA) is the ratio that represents the ability of the company in generate profit of any assets that are used. The criteria for assessing which based on rank components ROA can be seen in the table below:

Table 2.4 the Matrix Criteria of ROA Components Rate

Ratio	Rate	Predicate
ROA > 1,5%	1	Very Good
1,25% < ROA ≤ 1,5%	2	Good
0,5% < ROA ≤ 1,25%	3	Enough
0 < ROA ≤ 0,5%	4	Bad
ROA ≤ 0%	5	Very Bad

Sources: SEBI No. 13/1/PBI/2011

The Relation between Variables

CAR and Company Value

Capital Adequacy Ratio (CAR) shows the management capability in guaranteeing adequate capital by identifying, watching, and control risks that arising and can affect the amount of capital. CAR was the ratios to compare between capitals with all kinds of assets that are considered carry the risk or who customarily called assets weighted according to the risk of (*ATMR*). More the Capital Adequacy Ratio (CAR) the more chance bank in generate profit as by massive capital, very in bank management to invest to a profitable investment activity. With high CAR, means bank able to overcome possible loss due to credit letters valuable and trade. Fordian (2017) stated that the bank capital adequacy used to keep public trust, with decent, capital adequacy so investors will feel safe to investing. Cristiano et al (2014) Halimah and Komariah (2017), Catriwati (2017), stated that CAR have a positive impact and significantly with the company value (PBV). Based on the description, the hypothesis advanced in this research:

H1: CAR has a positive influences the Company Value

FDR and Company Value

One of the banking company functions as an intermediating institution is customers / channel funding to those in need additional funding to expand business. To know how much of distributed using the funds collected can use the Financing to Deposit Ratio. This theory supported by the research of Fordian (2017), Catriwati (2017), Repi et.al (2016), Bambang Agus Pramuka (2010), and Stevani and Sudirgo (2019) stating that FDR have positive and significant influence to ROA. Halimah and Komariah (2017) stated that LDR influences the company value. Based on the description, the hypothesis advanced in this research:

H2: FDR has a positive influence the Company Value

NPF and Company Value

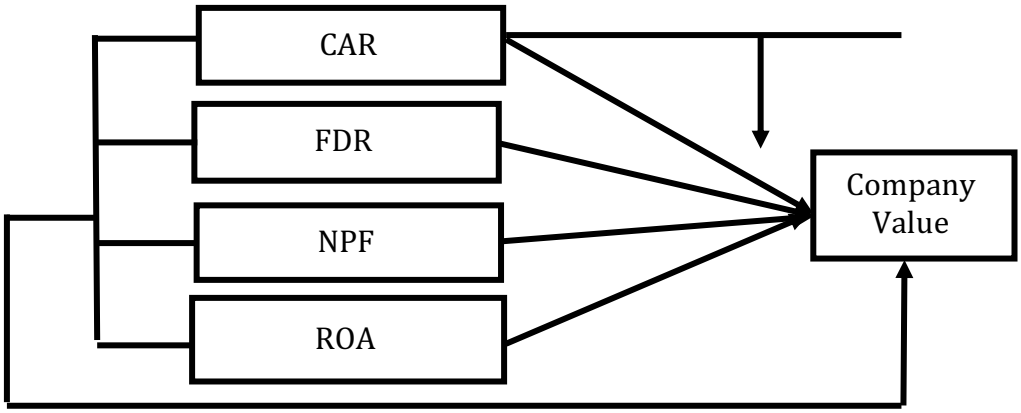
According to Suhada in Satriyo and Syaich(2013), NPF reflect financing risks, the higher this ratio, exhibiting the qualities shariah bank financing worse. The management of bank financing desperately needs, considering financing as income for shariah bank largest contributors, affecting the soundness of funding to the bank. Increase in NPF will result in loss of opportunities

to acquire income from financing it is providing so as to affect profit in the and influential poor for value of company, so if NPF increase, value of banking company decreased, and if NPF decreased, the banking value of company was increased. This theory supported by the research of Made Ria Anggreni and Made Sadha Suardhika (2014), Korompis et.al (2020), Siti Maimunah and Tasya Fahtiani (2019), stated that NPF has negative and significant influence to PBV. Based on that, the hypothesis advanced by in this research
H3: NPF has a negative influencing on company value

ROA and Company Value

The company which has the level of capability of being profitable would fund its investment from the net profit (Hanafi, 2011). Return on Asset (ROA) is the comparison between net profits after taxes to the total assets. ROA give the information about how efficient a bank to their business activities, because the ratio of this indicates how big the average the can be obtained for every rupiah their assets. The bigger ROA in bank, the larger the profit levels obtained the bank and the better the performance of the bank. Banking industry is having a high profitability will affect the value of the company, because by acquiring high profit structure will affect eps and next will have an impact on company values. The research of Halimah and Komariah (2017), Repi et al (2016), Pardiyanto (2016), Catriwati (2017), Watung and Ilat (2016), stated that ROA influences the company value (PBV). Based on the analysis, the hypothesis advanced by in this research.
H4: ROA has a positive influences on Company Value.

Based on the theories and previous studies, these are some variable selected in this research among others CAR, FDR, NPF, ROA as the independent variable, and Company Value as the dependent variable. On the basis of that idea, to support this research, developed a frame of thought that can be seen in this picture below.



Picture 2.1 the Skeleton Thought Analysis of Financial Performance and Company Value Shariah Banking in Indonesia

RESEARCH METHOD

The Type of Research

The type of research that used in this research is the associative research type because is the research that find pattern of relation or the influence of two variables or more.

Population and Sample Collection Technique

The population was the entire bank in the category of shariah banking that has been listed at the Indonesian stock exchange and other shariah banking. The sample collection technique in this research uses the purposive sampling method. This technique is used because a view or terms of certain of researchers, as a basis for the companies who be sample. In this research the companies that become sample must have condition: 1), Listed in BEI continuously over a period of 2014-2019. 2), the audit reports data from independent auditors available over the research period. 3), the companies active to pay dividends. 4), having no negative profit and total equity in 2014-2019.

This research using data time series and cross section (pooling data), and based on the criteria of the side, the number of sample which satisfies the criteria of as many as 8 bank from 12 shariah banking hose the period of 2014 until 2019. Besides that companies which do not become sampled because it does not enough or the data was not expressed in detail or perfect. Because fulfilling criteria only 8 shariah banking and data used was the data quarterly lapse in 2014 and 2019. Data that used are secondary data obtained from Indonesian Capital Market Directory and Jakarta Stock Exchange Website, through official website BEI www.idx.com.id and otherwise the shariah banking annual report that relevant with the research.

The Location, Object and Research Subject

The research site is in Indonesia Stock Exchange, Jakarta and shariah banking in Indonesia. The object of research on the financial report of shariah banking in form of financial reports the period of 2014 -2019 that loaded in the Indonesia Capital Markets Directory, IDX, and a research subject is shariah banking that listed in Indonesia Stock Exchange.

The Analysis Method and Data Analysis Method

Data analysis techniques that used in this research was quantitative analysis techniques, which is an engineering data analysis using number, the solutions can be calculated exactly with mathematic calculation.

The Multiple Linear Regression Analysis

This analysis used to analyze the influence of some of the dependent variable to independent variable. The equation of this research model is as follows:

$$Y1 = a + b1X_1 + b2X_2 + b3X_3 + b4X_4 + e$$

Description:

Y1	=	company value
a	=	constant
b	=	regression coefficient
X_1	=	CAR

X_2 = FDR
X_3 = NPF
X_4 = ROA
e = error factors

Hypothesis Testing

To know is the any independent variable influence the dependent variable in simultaneous and partial, and then done the F test and t test.

Hypothesized Simultaneously Test (F Test)

The testing of hypotheses simultaneously (together) is using the F test. The testing is done to verify whether the influence of the independent variable simultaneously have the significant or not with the dependent variable.

As for who became hypothesis zero (H0) and hypotheses alternate (Ha) in this research was as follows:

H0 : Means CAR, FDR, NPF, ROA simultaneously will not influence the company value.
Ha : Means CAR, FDR, NPF, ROA simultaneously influence the company value.

Using a significant rate = 0,05 with the criteria for receiving and refusal hypothesis is:

- If the significance > 0,05 so H0 will be received and Ha rejected.
- If the significance < 0,05 so H0 will be rejected and Ha received.

Hypothesized Partial (t Test)

The testing of hypotheses partially (individual) used the t test. The test is done to verify whether the independent variable partially to have the significant influence or not against the dependent variable.

As for who became hypothesis zero (H0) and hypotheses alternate (Ha) in this research was as follows:

H0 : Means independent variable partially will not influence the company value.
Ha : Means independent variable partially influence the company value.

Using a significant rate = 0,05 with the criteria for receiving and refusal hypothesis is:

- If the significance > H0 will be received and Ha rejected.
- If the significance < 0,05 H0 will be rejected and Ha received.

The Coefficient of Determination (R^2)

The Coefficient of Determination essentially measures how far the model of CAR, FDR, NPF, and ROA in make clear the variation dependent variable the Company Value.

Operational Definition and the Measurement of Variable

The Dependent Variable Company Value (Y)

The company value in the research uses Price Book Value (PBV). The ratio of is used for measuring how much the differences between stocks market price of companies with the book value of stock. Brigham and Houston (2010), to a formula:

$$\mathbf{PBV} = \frac{\textit{Market Price per Share}}{\textit{Book Value per Share}}$$

The Independent Variable

a. Capital Adequacy Ratio (CAR) (X1)

CAR is the ratio that shows how far all asset of bank containing credit risk, (participation, securities, bill in other banks) to funded by their own capital bank, besides have funds from sources outside bank, as community funds, loans, etc.

The CAR ratio can be calculated using formulas, as follows:

$$\text{CAR} = \frac{Capital\ (Tier\ 1\ Capital + Tier\ 2\ Capital)}{Risk\ Weighted\ Assets} x100\ \%$$

b) Financing to Deposit Ratio (FDR)(X2)

Is the ratio granted by a bank with third party funds worked in deployed by a bank, how much funding provided to the public or customers, banks must be able to compare with quickly the fulfillment of the needs of withdrawal of funds any time by depositors .

This ratio can be calculated using formulas (Umam, 2013) and (Bambang, 2010):

$$FDR = \frac{Total\ Loans}{Total\ Deposits} x100\%$$

c) Non Performing Financing (NPF)(X3)

Ratio Non Performing Financing (NPF) is measured by comparing the amount of NPF with total financing. NPF value can be increased when the amount of non performing financing increase. When the ratio of NPF up and non performing financing borne rise and result in a loss for improving so that it can reduce the bank profits .The ratio is calculated by using formulas (Siamat, 2005),

$$NPF = \frac{Total\ Non - Performing\ Financing}{Total\ Financing} x100\%$$

d) Return on Asset (ROA) (X4)

ROA give the information about how efficient a bank to their business activities, because the ratio indicates how big the average the can be obtained for every rupiah their assets. ROA measures the asset of bank in gain. More ROA a bank, the greater the profit level achieved the bank and the good position in terms of the use of the bank asset. This limited the ratio of using formulas (Dendawijaya, 2005):

$$ROA = \frac{Net\ Profit}{Total\ Asset} x100\%$$

RESEARCH RESULT

The Results of Multiple Regression Analysis

To know the influence between independent and dependent variable in this research using multiple linear regression analysis. The analysis of the data can be seen in table 4.1 below:

Table 4.1; The Results of Multiple Linear Regressions Coefficients[a]

				Standardized		
		Unstandardized Coefficients		Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	3.574	.861		6.430	.000
	CAR (X1)	.339	.014	.641	3.808	.002
	FDR (X2)	-.290	279	-168	-1.040	.316
	NPF (X3)	-.584	.274	-.343	-.2.133	.048
	ROA (X4)	.807	.217	-.545	3.725	.004

a. Dependent Variable: PBV

Sources: Data Processed SPSS 22, 2020

According to table 4.1, that obtained the equation of multiple linear regressions of the Company Value, CAR, FDR, NPF and ROA. That equation will be written as follows:

Y= 3.574 + 0.339X1 - 0.290X2 - 0.584X3 + 0.807X4+ e

From the equation of multiple linear regressions above, then can be interpreted as follows:

a. The constant of multiple linear regressions as much as 3.574, and marked positive, this explains that if CAR, FDR, NPF, and ROA the value 0, so the Company Value as much as 3.574.
b. The regression coefficient variable Capital Adequacy Ratio (CAR), (X1) as much as 0.339 and positive, this explains that every amendment amounting to a unit in CAR, while FDR, NPF, and ROA assumed fixed, so the amount of Company Value will increase as much as 0.339 unit.
c. The regression coefficient Financial to Deposit Ratio (FDR) (X2) as much as -0.290 and marked by negative, this explains that any amendment at a unit on the FDR, while CAR, NPF and ROA assumed fixed, but the magnitude of the Company Value would be decreased by -0.290 unit .
d. The regression coefficient non performing financing (NPF) (X3) of -0.584 and negative, this explains that every amendment amounting to a unit in Non Performing Financing (NPF), while CAR, FDR and ROA fixed, so the amount of Company Value will changed down by -0.584 unit.
e. The regression coefficient variable Return on Asset (ROA) (X4) amounting to an unmarked, 0.807 and positive this explains that any amendment at a unit on ROA, while CAR, FDR and NPF fixed then the magnitude of the Company Value will undergo a change the increase in as much as 0.807.

The Coefficient of Determination (Adjusted R2)

Analysis determined used in this research to perceive the percentage of contributions influence free variables (independent) regression in the model that simultaneously or with equal bound to exert an influence upon dependent variable. So the numbers indicated shows the extent to which formed the model could explain the condition is. The coefficient of determination that is visible to the table below:

Table 4.2; The Result of Coefficient Determination Test Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.790[a]	.624	.553	.13163

a. Predictors: (Constant), CAR , FDR, NPF,ROA

Sources: Data Processed SPSS22, 2020

Determination analysis the used for the contributions now over percentage influence independent variable to dependent variable together. The calculation results table 4.2 obtained value R Square as much as 0.624, this means that the influence of variable Capital Adequacy Ratio (X1), Financing to Deposit Ratio (X2), Non Performing Financing (X3), and Return on Assets (X4) in the model of regression 62.4% meanwhile the rest of 37.6% described by variable or factors that is not included in the model this research. The standard Error of Estimate as much as 0.13163 which means that the level of errors in estimates of a model multiple linear regression of this research as much as 0.13163.

Hypothesis Testing

The Partial Test Results (t Test)

To test the influence of independent variable Capital Adequacy Ratio (X1), Financing to Deposit Ratio (X2), Non Performing Financing (X3), and Return on Assets (X4) in partial to Company Value (PBV), so in this research using t test. Based on table 4.1 it can be seen that:

a. Variable Capital Adequacy Ratio (CAR) (X1) obtained numbers t_{counts} as much as 3.808 > t_{table} on α = 0.05 as much as 1.987 and significance standard < from α = 0.05 is as much as 0.002 thus Ha accepted; it means there are significant and positive influence from variable CAR on the Company Value.
b. Variable Financing to Deposit Ratio (FDR) (X2) obtained numbers t_{counts} as much as -1.040 < t_{table} on α = 0.05 as much as 1.987 and significance standard > from α = 0.05 is as much as 0.316 thus Ha denied; it means there is no significant influence from variable FDR on the Company Value.
c. Variable Non Performing Financing (NPF) (X3) obtained numbers t_{counts} as much as -2.133 > t_{table} on α = 0.05 as much as 1.987 and significance standard< from α = 0.05 is as much as 0.048 thus Ha accepted, it means there are significant and negative influence from variable NPF on the Company Value.

d. Variable Return on Assets ROA (X4) obtained numbers t_{counts} as much as 3.725 > t_{table} on α = 0.05 as much as 1.987 and significance standard < from α = 0.05 is as much as 0.004 thus Ha accepted; it means there are significant and positive influence from variable ROA on the Company Value.

The Simultaneously Test Results (F Test)

To see if the regression model in this research is correct, the hypothesis test should be done, in this case done the F test. The results of F test done to test the influence of independent variable Capital Adequacy Ratio (X1), Financing to Deposit Ratio (X2), Non Performing Financing (X3), and Return on Assets (X4) simultaneously on dependent variable (Company Value), to compare the significant value with the levels of trust as much as 95% (0.05).

Table 4.3; F Test Results

ANOVA[b]

Model		Sum of Squares	Df		Mean Square	F	Sig.
1	Regression	110.833		4	27.818	29.638	.000[a]
	Residual	160.460		179	.938		
	Total	271.293		183			

a. Predictors: (Constant), CAR , FDR, NPF, ROA

b. Dependent Variable: Company Value

Sources: Data Processed SPSS 22, 2020

According to table 4.3 shows that the results of the analysis produce F_{counts} as much as 29.638 meanwhile F_{table} as much as 2.322 this means the value of F_{counts} > F_{table} or 29.638 > 2.322 so H0 denied and Ha accepted. This explains that the independent variable in this research CAR, FDR, NPF and ROA simultaneously have the significant influence on the dependent that is Company Value when viewed from the significant value as much as 0.000 < 0.05. It means the variable CAR, FDR, NPF and ROA simultaneously influence and significant on the Company Value.

DISCUSSION

The Influence of Capital Adequacy Ratio (CAR) on Company Value

Variable Capital Adequacy Ratio (CAR) has positive and significant influence on company value. This means that the increase in CAR would be followed by an increase in the company value. On the other hand the decline in CAR would be followed by a reduction in the value of the company. The statistic test results shows that CAR has positive influence on company value. Thus the hypotheses which stated that CAR influence the company value accepted.

The result of this research make an empiric understanding for the management that if CAR increase, the company value will also increase, this condition shows that the CAR increase has an impact on the increase of company value.

This result consistent with the theory, stated that CAR is providing based on minimum capital requirements for the banks risk assets in the broadest sense. CAR set by Banking for International Settlement (BIS) as much as 8 %, it means if CAR are in the points above 8%, shows that capital structure of that bank healthy. High car indicated its capital adequacy ratio is high and followed by investment funds of it will have an influence to the company value.

This results supported by the research of Halimah, Komariah (2017), Stevani and Sudirgo (2019), but not supported by the research of Catriwati (2017), Fordian (2017) Maimunah and Fahtiani (2019) that stated CAR influential not significantly to the company value.

The Influence of FDR on Company Value

Variable Financing to Deposit Ratio (FDR) has a negative influence and not significant on company value. It means that the decrease of FDR would be followed by an increase in the company value. On the other hand the increase of FDR would be followed by the decrease in the company value. The statistic test results shows that FDR has a negative influence and not significant on company value.

Thus the hypothesis that stated FDR influences the company value rejected. The result of this research give the understanding of empirical for management that if the FDR increase, so the company value will decrease, this condition shows that the increasing of FDR impact on the decline in company value. LDR is a ratio which is used for measuring the amount of funds composition be disbursed with the community collected and capital themselves which are used. The size of FDR according to a government regulation maximum is 110 % (Kasmir, 2014). The bigger the distribution of funds compared with deposits were gathered, and the higher the FDR. The research results stated that FDR will not influence the company value could happen along the provision of credit done to the principle of precautionary and the adherence to regulation in the provision of the credit.

This result supported by the research of Stevani and Sudirgo (2019), Cartriwati (2017), but not supported by the research of Repi (2016), Halimah and Komariah (2017), Fordian (2017) that stated significant and negative influence.

The Influence of NPF on Company Value

Variable Non Performing Financing (NPF) has negative and significant influence on company value. It means that the increase of NPF will be followed by the decrease of company value. On the other hand the increase of NPF will be followed by the decrease of company value. The result of statistic test shows that NPF has negative and significant influence on the company value. Thus the hypothesis which states that NPF influence the company value accepted. The result of this research give the understanding of an empiric for management that if NPF increase, the company value will decrease, the condition it shows that the receipt of NPF increased impacted on the decline in company value. One of the bank incomes is from the funds channeled. The distribution of funds or funding shariah banks should be based on the principle of precautionary arranged by Bank Indonesia. The distribution form of funds or funding by Shariah Bank in carrying out is the principle, operational trading for the principle, principle lease. NPL in the shariah banking ranged from 1 - 2 %. This indicates that with the low NPL will give interest income (profit sharing) or high rate of profit banks thus will have impact on company value. This result

supported by the research of Maimunah, and Fathiani (2019), but not supported by the research of Repi (2016), Catriwati (2017), Halimah and Komariah (2017), Rundupadanget.al (2018), Stevani and Sudirgo (2019), Suranto et.al (2017) and Korompis et.al (2020) stated that NPL influential not significant.

The Influence of ROA on Company Value

Variable Return on Asset (ROA) has positive and significant influence on company value. It means that the increase of ROA will be followed by the increase of company value. On the other hand the decrease of ROA will be followed by the decrease of company value. The statistic test result shows that ROA has positive influence on company value.

Thus the hypothesis that stated ROA influence the company value accepted. The result of this research makes an empiric understanding for management that if ROA increase, the company value will increase; this condition shows that the receipt of ROA increase have impact on the increase of company value. This results consistent with the theory stated that the higher the level of an advantage gained to exhibit efficiency and effectiveness asset management better that influence the company value (Mamduh, 2011). ROA can influence the company value, with the high ROA give a good signal to investors so stock price expected to the higher, with high stock price reflects the higher the company value.

This result supported by the research of Catriwati (2017), Halimah, and Komariah (2017), Watung and Ilat (2016), Welley (2015), Suranto, et.al (2017), Repi, et al (2016), Ardana (2018), Notoatmojo (2020), but contrary to the research of Hardika, Mahayana, Marhaeni (2018), Ramdani, Aisyah (2018) Maimunah and Fahtiani (2019)

The Influence of CAR, FDR, NPF and ROA on Company Value

Variable CAR, FDR, NPF and ROA simultaneously has significant influence on company value. It is revealed from the F test result as it seems at table 5.3, the value of F obtained from the calculation that has done is 29.638 and this value bigger than F table value as big as 2.322, while the significance that smaller than the 0.05 is 0.000. These results answer the hypothesis that CAR, FDR, NPF and ROA has significant influence on company value. This result also supported by the research of Dayinta Pratiwi (2012), Mario Cristiano (2014), Husain Fajri Muttaqin (2017), Jesica Amping Rundupadang (2018) as well as Stevani and Sudirgo (2019).

Based on the results of the analysis the research is expected will contribute in theoretical development investment as follows:

1. Implication theory that could state in this research to increase the company value in banking can use the financial performance model factor and company value.
2. The results of this research found that the increase of company value caused by the increase of CAR and ROA and the decrease of NPF.

Limitations in this research, the model proposed is the model for the company financial performance on the company value, where this research more insists on the importance of assessing the financial performance. There are still many variables that not accommodated yet in this model, such as BOPO, GWM and also external factors such as Inflation Rate, Interest Rate and

Exchange Rate. The other limitations located on the research object, should not only on shariah banking but also on the conventional banking.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Based on the research results, so the conclusions that can be given in this research is as follows:

1. CAR has a positive and significant influence on the company value shariah banking so the hypothesis that stated CAR influence the company value accepted. FDR has negative and not significant influence on the company value shariah banking so the hypothesis that stated FDR influence the company value rejected. NPF has a negative and significant influence on the company value shariah banking so the hypothesis that stated CAR influence the company value accepted. ROA has a positive and significant influence on the company value shariah banking so the hypothesis that stated ROA influence the company value accepted.
2. CAR, FDR, NPF and ROA simultaneously has significant influence on the Company Value shariah banking.

Recommendations

Based on the results of this research, is expected to provide an overview of the company value in factors influencing the shariah banks in Indonesia, however is still have limited. Because of that, hopefully this can be the basis for further research; to be better. The suggestions that can be given are:

a. Further research is expected able to increase the number of the independent variable, such as BOPO, GWM and others.

b. Further research also is expected able to increase the number of observation year and the number of research samples.

c. To the investors if wanted to make an investment, have to consider the value of the company, because with the increase of the company value attracts the interest of investors to invest.

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