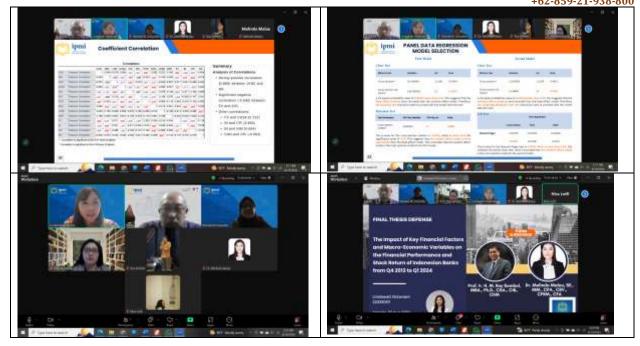


Event	:	Thesis Final Defense				
Date	:	Monday, August 19, 2024 at 5 PM				
Student	:	indawati Octaviani (22232001)				
		The Impact of Key Financial Factors and Macro-Economic				
Title	:	Variables on Financial Performance and Stock Return on				
		Indonesian Banks				
Thesis Advisor(s)	:	Prof. Roy Sembel & Dr. Melinda Malau				
Examiners	:	Prof. Wiwiek Daryanto & Dr. Samuel PD Anantadjaya				

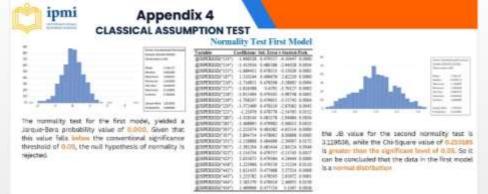






Comments;

- **1. No detailed data on the previous studies** on the 7 key financial factors and 5 macroeconomic factors?
- **2.** This study is talks about ROA and SR. **What would happen if ROE**, and **GCG** were to be incorporated since ROE is tied into Stock Returns (and so does liquidity) and GCG is also tied into both Stock Return & Return on Assets?
- 3. Referring to what the **classical assumption test** it indicated that the first illustration as compared to the second illustration was a bit puzzling. It looks like the first one is relatively fine as compared to the second one (from the picture) but according to Jarque-Bera statistics is 0.000 thus the result is **rejected based on 0.05 threshold**. How come it will be definitely be rejected?





- 4. What would the differences between **Kurtosis** (5.38 in the first model) as shown in normality test result in first model on page 72 and also Kurtosis is shown 2.61 (as shown in the second model) on page 73?
- 5. Why is it necessary to accept the normality of the data?
  - a. What would happen to have the abnormal of the data set? Can those data be implemented?
- 6. In your summary, it said that model 1 vs model 2 are **insignificant** and **no impact**



7. What are you **expecting on ROA** since they are insignificant effect on ROA, such as CAR, Provision Coverage Ratio, FX and GDP? Are those figures be eliminated for?

RoA = -0.385323 - 0.624249CAR + 24.99121NIM - 1.934317LDR + 17.53797CASA-3.761707CIR- 13.77069NPL+ 1.398313PCR + 1.234756GDP - 1.695229FX + 5.148546Birate + 1.673387CPI

Where

- C is the constant or intercept (-0.177355).
- CAR is the Capital Adequacy Ratio. (Insignificant)
- NIM is the Net Interest Margin. (Highly Significance)
- LDR is the Loan-to-Deposit Ratio. (Marginally Significance)
- CASA is the Current Account and Savings Account ratio. (Highly Significance)
- CIR is the Cost to Income Ratio. (Highly Significance)
- NPL is the Non-Performing Loans ratio. (Highly Significance)
- PCR is the Provision Coverage Ratio. (Insignificant)
  GDP is the Gross Domestic Product growth rate. (Insignificant)
- GDP is the Gross Domestic Product growth rate. 0
  FX is the Exchange Rate (IDR/USD). (Insignificant)
- Bl is the Bank Indonesia Interest Rate. (Highly Significance)
- . CPI is the Consumer Price Index (inflation). (Marginally Significance)
- a. What do CAR, PCR, FX and GDP have to do with ROA?
- b. Do CAR affect this ROA, PCR affect ROA, FX affect ROA, and GDP affect ROA too?

Capitor	CAR.				
Net Interest Morgin	NEW	Commiled Variables	Morkel Return	UNIX Neturn	Laun-Laun-Jenn-0-00
 Loon to Deposit Ratio	1.04		0.0# Oronattix Rofa	009 grants rate	(DBMg. (CMw.)) SDMg-1
CASA HIELO	CASA.		Evonongia Rotta	a	悉
Cost to Income Bablo	CIII		W Internet Bulle	Silicite	B Marest Fire
 Cost to riching which	C.W.		selation	CR.	Company New Yolks
Asset Quality	1975.				
Provision Coverage Ratio	PC8				



5. What are you **expecting on Stock Return** since they are insignificant effect on SR, such as; CAR, net interest margin, provision on coverage ratio, GDP, FX, BI? Are those figures be eliminated for?

a. What do CAR, NIM, PCR, GDP, FX, and BI have to do with stock return?

SR = -3.70605 - 0.762971CAR + 0.279948NIM + 3.199919LDR + 2.598099CASA +1.789501CIR + 3.991548NPL + 1.463945PCR + 2.539828RoA + 13.72896GDP -0.896233GDP + 1.039138 FX + 0.175881Birate + 2.050208CPI

- Where: • C is the constant or intercept i-24.38267).
- CAR is the Capital Adequacy Ratio. (Insignificant)
- NIM is the Net Interest Margin. (Insignificant)
- . LDR is the Loan-to-Deposit Ratio. (Highly Significance)
- · CASA is the Current Account and Savings Account ratio. (Highly Significance)
- CIR is the Cost to Income Ratio. (Marginally Significance)
- NPL is the Non-Performing Loans ratio. (Highly Significance)
- PCR is the Provision Coverage Ratio. (Insignificant)
- ROA is the Return on Assets. (Significance)
- JKSE is the Jakarta Composite Index (Market Return). (Highly Significance)
- GDP is the Gross Domestic Product growth rate. (Insignificant)
- FX is the Exchange Rate (IDR/USD). (Insignificant)
- BI is the Bank Indonesia Interest Rate. (Insignificant)
- CPI is the Consumer Price Index (inflation). (Significance)

-----proposal thesis defense-----

Event	:	Proposal Thesis Defense				
Date	:.	Monday, July 22, 2024 at 5 PM				
Student	:	indawati Octaviani (22232001)				
Title	:	The Impact of Key Financial Factors and Macro-Economic Variables on Financial Performance and Stock Return on Indonesian Banks				
Thesis Advisor(s)	Thesis Advisor(s) : Prof. Roy Sembel & Dr. Melinda Malau					
Examiners	:	Prof. Wiwiek Daryanto & Dr. Samuel PD Anantadjaya				







Comments;

- 1. What is the difference between **partial test** and **simultaneous test**?
- 2. What are the differences between **Chow test**, **Hausman test** and **LaGrange Multiplier Test**?
- 3. The samples are 42 data and these are consistent to 75%, 79%, 73% and 88% in terms of coverage percentages. **What does it mean**?

In terms of coverage, the selected banks were sampled based on various criteria, including total assets, total credit to customers, total deposits, and profit. The coverage percentages for these criteria are 75%, 79%, 73%, and 88%, respectively. This intentional selection ensures a comprehensive representation of the commercial banking industry, enhancing the study's ability to draw meaningful conclusions (Zikmund et al., 2013).



4. You are selected all 12 KBMI, as stated below, however, those banks are not really relevant to compare them all because **Mandiri**, **BRI**, **BCA** and **BNI** are all above 20 billion as compared to other banks in KBMI 3. Those 4 banks reach up to about 85% of the total KBMI 3

Mo	Steck	Bank's Nome	Total Assettion IDH Britishi an of 31 Dec 2023	Total Credit to castomers (in IDR Billion) as of 21 Dec 2023	Third Party Funds (in 108 Billion) at of 31 Dec 2023	Profit P123 (in 108 billion)	Stack price in IDR full amount as of 2 Jan 2004		IFO date	How long PO antii new? (in year)	KDMi category
1	8MRI	Bank Marsdul	1,066,850.0	1,080,787.0	1,244,014.0	51,098.9	5,827	589	34-14-03	21.0	88964
2	5870	640	1,835,249.0	1.145,083.8	1,355,201.0	53,158.0	5,457	731	30-Nm-03	20.7	K2H14
3	<b>BBCA</b>	BCA	1.370.871.0	787,499.0	1,083,085.0	47.986.0	9,218	1.230	31-May-00	24.1	KEN14
4	BBNI	BNI	1,048,726.0	807,913.0	801,903.0	20,784.0	5.230	180	25-Non-96	27.8	KEM14
ъ.	BBTN	8TN	450,700.0	296,384.0	349,904.0	3,001.0	1,219	16	\$7-Dec-09	34.6	KEMI 3
я	SNGA.	CIMB Nage	327,941.0	200.005.7	236,849.5	1.109-0	1,600	-45	25-Nov-89	34.8	632413
ž.	ERE	Bank Systuh Redoceste	383,624.0	237,982.8	200,776.0	1,764.0	1,725	115	09-May-18	6.2	KENI 3
8	SNL)	Bank Permata	257,484.0	142,198.0	188,312.0	2,585.0	896	30	15-Jan-00	34.5	KEMI3
ψ.	NEP	Bark DOBC NEP	240,757.0	153,496.8	381,755.0	4,091.0	1,140	68	20 Oct-54	29.7	108240.3
10	<b>BTPN</b>	Bank BTPN.	181,241.0	145,172.0	342,256.0	3,101.0	2,676	24	12-Mar-08	10.3	KEN13
31	<b>BOMN</b>	Bank Donarrow	202,571.0	144,643.0	139,222.5	3,504.0	2,962	25	06-Dec-89	34.6	KEMI3
12	PNIN	Panin Bank	198,845.0	129,289.0	\$32,567.0	2,151.0	1,130	31	29-Dec-82	40.5	KENIS
		Tetal sample	0.000,000,0	5,162,973.5	6,914,266.0	202,825.9					
		Tetal commercial banks	\$1,765,838	7,106,935	8,457,929	243,329					
		Sempling coverage	60%	72%	71%	675					

- 5. There were some researches on ROA, Stock Returns, or both variable, but there were no studies to use the 7 key financial factors and 5 macroeconomic factors, in your slide about previous research.
  - a. **Who** said that the 7 key financial ratios (CAR, NIM, LDR, Current Account Savings Account, Cost to Income, Non-Performing Loan, Provision Coverage) are important? Are those researches by Sharpe, Penrose, DuPont, and Arbitrage Pricing Theory?
  - b. Do you think that those 7 key financial ratios are extremely important why do those 7 key financial ratios are not discussed based on the previous researches?
  - c. CASA will determine cheap funding as if this promotes financial performance because **CA** + **SA/total deposits**
- 6. You use **CAPM in 1964 by Sharpe**, then **Resource-Based View by Penrose in 1959**, then you also use **OJK's RBBR in 2016**, then you also used **DuPont Analysis in 1920** and you also used **Arbitrage Pricing Theory in 1970**, it is all going backward in time **though**.
  - a. Which **one is the first to shape** your topic?
  - b. Can you relate them in time so they are not **going backward and forward** in time
  - c. So at the end, you are using **Arbitrage Pricing Theory to show up the regression** of financial ratios and macroeconomic factors?
- 7. EView?
- 8. Turn It In = 17% and this is good and passed the TII