

## **ABSTRACT**

*When doing some investment in stock, the investors must pay attention to the condition of company in the long term to be expected to be able give profit or return for the investors. The fundamental analysis ia an analysis that estimated the price of the stock in the period that will come by carrying out the estimation. This estimation paid attention to the fundamental factors that influenced the price of the stock and applied related variables to obtain an intrinsic value of stock. The aim of this research was to get the intrinsic value from the PT BCA, Tbk.(BBCA) and PT, Bank Mandiri, Tbk.(BMRI) in hope that the investors has the investment point to be considered in the two stocks so as to give profit or capital gain for the investors.*

*The fundamental analysis is begin from the analysis of economics, the analysis of the industry, and afterwards the analysis of the company. In the analysis of economics, the writer concern macro economics that afterwards was connected with the condition of company whereas the analysis of the industry concern about business cycle and the life cycle of the industry. For the analysis of the company was used by two methods that is Dividend Discount Model and Price to Book Value.*

*Aside from the calculation of two intrinsic value this stocks, this research also presents ratio analysis especially for the banking industry. The results of the ratio analysis showed that the ratio of PT BCA, Tbk. more better than PT. Bank Mandiri, Tbk.*

*The intrinsic value of BBCA's stock and BMRI's stock by using the method Dividend Discount Model was found that BBCA's stock still undervalued by Rp.699 per share whereas BMRI's stock already overvalued by Rp.231 per share. With price to book value method was found also that BBCA's stock still undervalued by Rp.632 per share whereas the BMRI's stock already overvalued by Rp.242 per share.*

*Key words : Fundamental analysis, dividend discount model, price to book value*